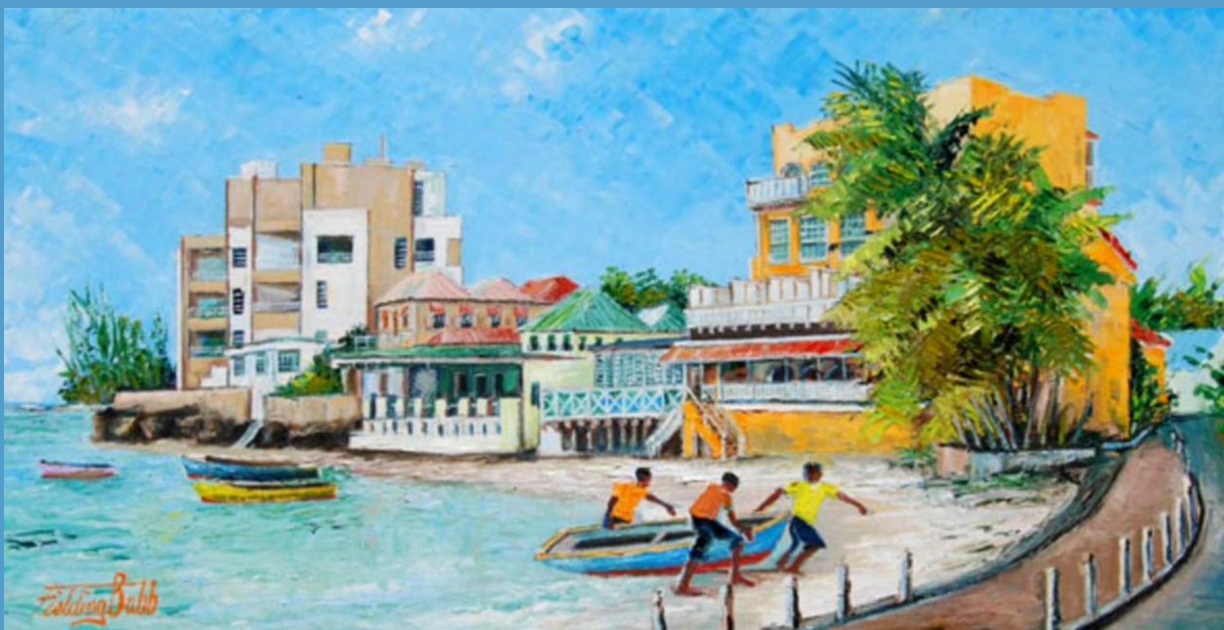
FINAL REPORT

BARBADOS TOURISM MASTER PLAN 2014–2023

REPORT V: SERVICES, INFRASTRUCTURE & PRODUCTS

Part 1: Transportation and Accommodation



Environmental Planning Group Inc.

HLA Consultants

2014

BARBADOS TOURISM MASTER PLAN
2014 – 2023

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Part 1: Transportation and Accommodation

Ministry of Tourism and International Transport
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DISCLAIMER

This report, prepared by Environment Planning Group Inc. in association with HLA Consultants, has been reviewed and approved by the Ministry of Tourism and International Transport. The contents indicate the challenges that are existing as determined by the consultant, and the consultant's recommendations, strategies and actions for their mitigation. The foregoing does not signify that the contents always necessarily reflect the policies and views of the Ministry.

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In the production of these documents, the work of local artists has been featured as an opportunity to showcase the visual arts in Barbados.

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Overview

The quality of the services, infrastructure and products that are provided as part of the tourism industry are vital to the success of any travel destination. Visitors traveling to Barbados will arrive by air or sea transport services, and then rely on ground transportation services to traverse the island during their stay. They will spend their holiday in an accommodation property, (e.g. infrastructure including hotels, apartments, guesthouses, private villas, etc.), and they will experience products and participate in activities that include dining, shopping, sports, and attractions, each of which can be the focus of specific niche market development. All of these aspects make up a total holiday experience, the quality of which will determine whether the island can deliver hospitality and services that surpass its competitors.

This Report reviews separately the following three major aspects of services, infrastructure and products that are offered in Barbados relative to the tourism industry:

- Transportation
- Accommodation
- Niche Markets

1.0 Transportation

The transportation sector in Barbados has been reviewed within the following four sub-sectors:

- Ground Transportation
- Airlift
- Cruise Tourism
- Sailing/Yachting and Ferries

Each of these modes of transportation will be described separately, and will include strategies and actions that have been developed to help improve the visitor experience and address the strategic imperatives of this Tourism Master Plan (TMP).

1.1 Ground Transportation

Summary

Major occurrences in the ground transport sector in Barbados since the last comprehensive national review was undertaken almost two decades ago include: the advent of the reconditioned vehicle market, the upgrade and expansion of the road network, the rapid growth of the Warrens commercial area and its impact on traffic; and the establishment of a Transport Authority. Within the tourism sector, the GAIA has been expanded and upgraded, and a Master Plan for future expansion has recently been completed. The Bridgetown Port has also undergone some expansion, and is now at the development stage where cruise ship facilities are being separated from cargo.

With all that has occurred since the last transport review, there is an urgent need for another up-to-date comprehensive review of all aspects of ground transportation and to chart the way forward for the next two decades.

Institutional Arrangements in the Transport Sector

The main institutions and relationships that currently exist in the transport sector are sound and require no major overhauling. However, this TMP recommends that the Planning Unit in the Ministry of Transport and Works is strengthened with the inclusion of a dedicated Transport Planner, and that staff be given formal training in transport planning. In addition, the recently established Transport Authority should be provided with the appropriate staff and equipment to properly carry out its duties and functions as outlined in the Act (Cap 2007-28).Consideration should be given to include all public transport in the mandate of the Transport Authority; tourism-related public transport inclusive. It is also recommended that an inventory of all vehicles involved in the tourism sector be undertaken. This inventory could be a separate exercise, or could be part of any national transport review. There should also be a repository for this information, which would best be a collaborative effort between the International Transport Division (ITD), the Research and Product Development Unit of the Ministry of Tourism and International Transport (MTI), and the Transport Authority (TA).

Local Transportation at GAIA

This TMP has reviewed, and in general supports the GAIA Master Plan in respect of its findings and recommendations. In particular, the TMP supports the suggestion to resolve, in the short term, the congestion experienced on Highway 7 outside of the airport during airport peak periods by the addition of a lane dedicated to vehicles going into St. Philip. For the longer term, vehicular access to/from the airport should be from the Adams roundabout via the current airport exit, as suggested in the airport Master Plan (Jacobs Consultancy, 2011).

The White Paper (Strategic Solutions Inc., 2012, p. 252) clearly states that one of the policies to be adopted within the transport sector is to "*expand the range and accessibility of different transportation options to visitors*". The current position of the Barbados Transport Board (BTB) that it "…does not compete with other players for business in the tourism sector" runs counter to this policy, and this position of the BTB should be re-evaluated to allow for more involvement of mass public transport in the future development of the airport. There must be better bus service to, and passing the airport and schedules planned around flight arrivals and departures. Units should be of the type designed to carry visitors' luggage as well.

In the vicinity of the airport, covered waiting areas for mass public transport passengers should be comfortable, aesthetically pleasing, and their designs consistent with the design of the airport. Dedicated access should also be provided for persons from the airport compound to these public transport-waiting areas.

Provision is made in the GAIA Master Plan for improvement to taxi operations. However, metering of taxis/maxi-taxis is long overdue and should be undertaken as a matter of priority so that users do not feel that they are being overcharged.

A component of airport transport is the transfer of 'air-to-sea' passengers from the airport to the seaport roundtrip. This business is skewed in favour of the few larger tour operators. While it is understood that some of this business is sub-contracted to some of the smaller operators and to the BTB, it is recommended that airport policy be reviewed and a mechanism evolved which would allow for wider and more direct participation by taxi owners/operators and the smaller tour operators in the airport transport business.

Local Transport within the Barbados Port Inc.

Barbados Port Inc. (BPI) intends to separate its cruise business from that of cargo business, and in doing so, make provision for servicing the modern larger cruise ships and improve the operations at passenger deposit and collection points. This development is supported by the TMP. In addition, the TMP recommends metering of taxis operating out of the Port, while allowing controlled flexibility in fare arrangement for taxis on tours.

Much like the suggestion for transport of 'air-to-sea' passengers at GAIA, the TMP recommends that an arrangement be instituted for the taxi associations operating out of the Port to have a larger share of the tour operation business. It is suggested that the new arrangement should also allow for greater participation of the wider taxi family in the tour business at the Port. The operation of mass transport within the Port should also reflect the White Paper's enunciated policy to "*expand the range and accessibility of different transportation options to visitors*" (Strategic Solutions Inc., 2012, p. 252).

Ground transport access to and from the Port should be improved with the construction of a series of roundabouts at junctions outside of the Port. These should be accompanied by the appropriate traffic markings, pedestrian facilities, improved signage and better lighting within the Port and on adjacent roads.

Highways/Roads

Barbados has a network of highways and roads approximately 1,600 km. in length that is generally in good condition. This network comprises:

1. *Newer highways built within the last 50 years*:
    - Princess Alice Highway (PAH)
    - Spring Garden Highway (SGH)
    - Adams-Barrow-Cummins Highway (ABCH)
    - Ronald Mapp Highway (RHM) formerly Highway 2A
    - Ermie Bourne Highway (EBH) formerly the East Coast Road
    - Duncan O'Neal Highway (DOH)

2. *The traditional main highways*:
   There are seven (7) highways and their arteries radiating outwards from Bridgetown and its suburbs clockwise from the west coast to the south coast, together with subsets of these highways, namely Highways 1,1A,1B, 1C, 2A, 3A, 3B, 4A, 4B, 5A, 5B, 6A and 7.

3. *A series of highways lettered A to Z*:
   These lettered highways crisscross the country linking the newer highways and the numbered highways.

4. *By-Pass Routes*:
   There are 3 by-pass routes
    - The Inner Bypass around Bridgetown
    - The Outer Bypass
    - The Speightstown Bypass

5. *Other Roads*:
    - Secondary Public Roads
    - Residential Access Roads
    - Access Roads to Industrial/Commercial Estates
    - Access Roads to Agricultural Lands

The TMP has reviewed the road network and acknowledges the work of MTW and stakeholders in maintaining this considerable expanse of roads at the current standards, and commends them for this accomplishment, but would make a few suggestions aimed at further improvement to the network.

Along the Princess Alice Highway, a roundabout at the junction with Prescod Boulevard would improve traffic flows. A roundabout at the Prescod Boulevard/Redman Road junction to replace the traffic lights would also improve flows. Improved directional and traffic safety signage, improved lighting, repainted road markings and the addition of lights to control the pedestrian crossing points would also improve traffic flows around the Port.

With respect to the Spring Garden Highway (SGH), the TMP recommends the installation of a footbridge across the highway at Weisers Bar location. In addition, improvements should be made to signage, road markings and lighting. There should be generous use of reflective paints and other reflective materials to highlight road edges, centre lines and turn off lanes. Finally, the Exmouth junction should be redesigned to allow for right turning traffic on to SGH.

Along the ABC highway, the TMP recommends the addition of a second outbound lane between the Graeme Hall roundabout and the Kingsland junction, subject to confirmation by necessary traffic volumes checks. Roundabouts should be installed at the Kingsland and Lowlands junctions. The Samuel Jackman Prescod Polytechnic (SJPP) /Caribbean Development Bank (CDB) junction should be redesigned to remove/reduce traffic through Parkinson Field residential district. In the interest of road safety, all at-grade pedestrian crossings should be controlled by lights that may be continuous flashing or demand lights. The pedestrian crossing in the vicinity of the SOL gas station at Wildey should be controlled by demand lights as a matter of urgency.

The location of pedestrian crossings generally should be reviewed with pedestrian safety in mind, and crossings should also be highlighted with street lights and the approaches marked appropriately to draw motorists' attention to the location of crossings and the presence of pedestrians. Finally, in the interest of road safety, sections (about 25 to 30 feet in length) of the solid 'jersey barrier' should be removed at selected locations and substituted with temporary removable structures to be controlled by the RBPF traffic division or Department of Emergency Management (DEM) to allow for emergency access and release of built up traffic as necessary.

The upgrade of the Ronald Mapp Highway (formerly Highway 2A) started at its southern end as part of the Warrens Traffic Safety Project. MTW is in discussion with CDB regarding partial financing for this project that will see the upgrade of the entire length to Mile and a Quarter, St. Peter. The TMP supports MTW's programme of upgrading the entire road to Mile and a Quarter, St. Peter, and urges that all the safety and other traffic management measures are included in this upgrade. These would include junctions' upgrades; light controlled and properly lighted pedestrian crossings, properly identifiable centre lines and road edges, good signage, wheel chair accessible sidewalks, and bus lay-bys and shelters.

There is need for a link road between Mile and a Quarter and the DOH. This would improve access to the north of the island. The existing link roads between these two newer highways are inadequate.

MTW's programme for the DOH and EBH is to continue regular maintenance and improve directional signage; these routes are regularly used by locals and visitors traveling to the National Park for recreational and sightseeing activities. Again, the TMP supports MTW's plans and suggests that particular attention be paid to safety features on these rural roads, such as the generous use of reflective paints and materials for road edges and centre line identification, the highlighting of approaches to junctions and road crossings, the use of safety as well as directional signage and the trimming of overhanging growth.

Given the quality and sufficiency of Barbados' current road network, almost any location in the island is accessible from another within an hour and this includes access to and through the Scotland District. The one exception where there may be some difficulty is traversing the Cattlewash - Bathsheba - Foster Hall - Martins Bay - Bath - College Savannah corridor. MTW had previously commissioned a route design that would connect the East Coast Road at Cattlewash to the GAIA via an eastern route through the corridor mentioned. The new perspective is that this is not a priority, and that the intention is just to upgrade Highway F to Martins Bay. The TMP supports the MTW programme for upgrading Highway F and suggests that the second phase (College Savannah to GAIA) could be considered at a later date when the economic circumstances allow.

MTW must continue to pursue a permanent solution to the perennial problem of road failures in the Scotland District that inconveniences motorists, including residents and visitors on sightseeing tours. Closer attention should be paid to the road infrastructure in the north, especially in parts of St. Peter, St. Andrew and St. Lucy, as these roads are generally less well maintained.

In respect of the Bridgetown Bypass routes, the TMP recommends a traffic management review of the entire urban/suburban area, that is, the area enclosed by SGH and the ABCH to Graeme Hall Roundabout and the Top Rock link to Top Rock Roundabout outside the Shell service station. Traffic changes within this area would be informed by the findings of that review. Barbados Tourism Investment Inc. (BTII) is also undertaking a similar review of greater Bridgetown and possibly this review can dovetail into the BTII's project.

Of the traditional 7 main numbered highways, the TMP wishes to focus special attention on the following Highway 1 (Eagle Hall to Speightstown) more popularly known as the West Coast Road, and Highway 7 (Bridgetown to Rock Hall, St. Philip), known as the South Coast Road. These two highways are particularly the ones on which the majority of our tourism plant, and in the case of Highway 7 our only airport, is located. The conditions of these two highways, especially Highway 1, are not up to the standards that reflect that they are the corridors to economic sustainability. Although generally their condition may be described as fair, there are sections along them in need of closer attention with respect to lighting, sidewalks, signage, pedestrian crossings, public transport passenger facilities, defined road edges and inconsistent road surface quality.

The general philosophy that should drive our approach to maintaining these roads at very high standards is that if we as a nation are serious that tourism is the main economic earner, then the condition of the roads, particularly the ones that provide direct access to the tourism plant, should be of a higher quality and standard.

One policy initiative enunciated in the White Paper (Strategic Solutions Inc., 2012, p. 235) says that Government will:

"*develop bi-annual Product Assessment tours with the Ministry of Tourism and representatives from the relevant agencies, to monitor and assess the quality of the tourism infrastructure, to ensure that standards are maintained on an ongoing basis and any gaps within the system are identified and documented to be addressed within specific timelines*".

This policy should be operationalized without delay, and these two highways should become the immediate focus of the assessment team.

The TMP has reviewed and updated the traffic and highway schemes proposed in the 1996 Barbados National Transport Plan, and has added more suggested improvement schemes, particularly in the north of the island for the consideration of MTW.

Road Signage

To prepare for the 2007 ICC Cricket World Cup in the Caribbean, the associated influx of visitors and to ensure that visitors and locals were able to find their way around Barbados, the Government, along with the Barbados Hotel and Tourism Association (BHTA) and Tourism Development Council (TDC), undertook a signage programme concentrating on Bridgetown, the major highways, hotel belts, places of interest to visitors, and residential districts throughout the island.

The programme included erecting (1) *interpretative* signs and *directional* signs along the major highways and along the south and west coast tourist belt, (2) *confirmatory* signs (place name signs) that identified districts and villages throughout Barbados, and (3) *places of interest* signs near places of interest frequented by visitors that identified facilities and conveniences at these locations. In addition, with the consent of the Barbados Light & Power Company and the Chief Town Planner, signs were removed that were erected illegally causing clutter and environmental degradation.

The intention was to continue this signage programme until road signage in Barbados had reached an acceptable level. However, the programme became one of the casualties of the current economic downturn and was discontinued after the 2007-2008 financial year due to lack of funds. MTW has continued the programme in a limited way from its own resources and has indicated that it will continue to implement the programme incrementally until funds are made available to conduct other phases.

BTII was the original force behind the signage programme. It is suggested that BTII again adopts this programme. With some effort and commitment on the part of stakeholders, the programme can be self-financing and successful. It is important for tourism sustainability that a dedicated signage programme be restarted.

Vehicles

Vehicle growth in all categories during the last 25 years has been phenomenal. Between 1986 and 1996, vehicle growth was around 2%. However, between 1997 and 2006, growth rate was close to a 10% average, reflecting the advent and major impact of the re-conditioned vehicle market on vehicle ownership. The last three years for which statistics are available coincide with the front end of the current economic recession, and the available information shows that the average growth rate for all categories of vehicles was less than 1%, a reflection of the impact of the recession on vehicle purchases.

While the growth of vehicles in the post-recession period is not expected to return to the pre-recession value of just under 10%, the sheer volume of traffic on the roads, especially during peak periods, is still a cause for concern. The number of vehicles per head of population is approximately 1:2. The current recession has obviously controlled the growth of vehicles, but other measures may soon have to be taken to control this growth.

Park-and-ride for specific events is one such measure that has been tested and found to be reasonably successful in the past. Personal vehicles were parked at predetermined locations not too distant from the event location and occupants shuttled by bus to the activity.

Other measures that may be adopted include vehicle pooling, higher taxes/duties, direct limits on number of vehicles imported, and legislating and/or restricting vehicles on the road. Whatever measures may be adopted, the TMP recommends that some action be taken to control the volume of traffic on our roads and the resulting congestion, accidents and fatalities.

BTB Involvement in Tourism

The BTB must play a greater role in providing transport services to the tourism sector. It must review its current policy not to compete for business with other providers in the tourism sector especially in the light of government's new articulated policy to expand the range and accessibility of different transportation options to visitors (Strategic Solutions Inc., 2012, p. 252).

The BTB now has enough interest and visitor-centered activities that it should establish a department dedicated to planning with visitors in mind. The BTB should also pursue efforts to form 'partnerships' with other providers in the interest of improved services and entrepreneurial development. This approach should be tried on routes allocated to BTB, but not where the size of BTB buses and the level of demand for the service make it uneconomical for BTB to operate.

Private Providers of Public Transport

Both the minibus and the route taxi (ZR) operations provide a much-needed service that is complementary to that of the BTB in transporting the general public 'en masse' on a daily basis. These private providers also contribute to transport within the tourism sector, as many visitors utilize these services heavily, especially along Highways 1 and 7 where most of the accommodation plants, restaurants and bars are located, and particularly for Friday evening activities at Oistins.

However, there is still a measure of chaos and disunity among these providers, with the ZR operation being the most disorganized. The TA has been set up to deal in the first instance with refining the public transport system and bringing a greater measure of organization and discipline to the operation of these providers.

Representative bodies of both the minibus and ZR providers must be truly functional to address the issues of these providers and to interact with other agencies including the TA and BTB. In this increasingly litigation-conscious environment, providers and stakeholders such as insurances and Government should ensure that all standards for the safe transport of people are established, met, and adhered to.

The TA has been tasked with the legal responsibility (Act 2007-28) to administer and bring a measure of control and discipline to these providers. One of the first order of business is to assist the minibus community, and more so the ZR community, to form functioning representation groups with which the TA can interact. The TA may also have to perform the function of research as well as being a repository for information on these modes of transport until proper functioning bodies are established.

Vehicles in the Tourism Industry

Government controls the number of taxis (including maxi-taxis) in Barbados by setting upper limits. Despite the belief that the numbers in circulation are more than what is required to comfortably service the tourism demand for transport, once the limit is raised, the new permits are quickly taken up by the industry. The issue is whether there should be a deliberate policy to bring the level of supply of these vehicles to match demand. Such a policy would restrict the number of new entrepreneurs in the taxi business at a time when government is advocating a policy to "*encourage entrepreneurship in the provision of transportation services*" (Strategic Solutions Inc., 2012). Government's policy would be better served by removing the limits altogether and allowing the demand/supply level to occur by way of market forces and attrition.

This approach would not be without its disadvantages, as the initial impact of removal of the limits would be increasing numbers, leading to more intense soliciting of business and more apparent harassment of visitors.

In a similar way, the current limits on all other classes of vehicles involved in tourism, including tour buses and coaches, limousines and luxury taxis, could also be removed to allow market forces to determine the optimum numbers required to service the industry. This would also foster the development of other entrepreneurs in the transport business. There is no ceiling on hired vehicles, but like the other categories, the hired vehicle owners must have equally fair access to the business in the industry, especially at ports of entry and exit.

This TMP Report has already discussed the taxi operations at GAIA and at BPI. The taxi operation in Bridgetown, unlike those of the Port and Airport, is an open affair in which any operator can vie independently for business. This has its advantages in that operators may have their own customers that they have built a relationship with. However, this 'competition' could at times be construed as harassment of shoppers in Bridgetown. This could be avoided if an arrangement of 'first come first served' could be instituted.

There are some novel means of travel that area part of our travel modes from time to time, and could add some flair to the tourism product. These include the BTB 'Jitney' buses, the horse and buggy, the motorbike with side passenger car, the donkey cart, the off-road vehicles, the train and the 'bicycle and buggy' arrangement.

The helicopter ride was a form of such travel, but has since disappeared, and there has been no interest to date in reviving this. The Barbados Defense Force (BDF) has indicated an interest in being a part of the Historic Bridgetown and Its Garrison World Heritage Property tours, and has already conducted guided tours of its facilities. Perhaps the BDF could adopt and incorporate the 'helicopter' business into this activity. The Regional Security System (RSS) has air capability and could, with proper arrangements, also be considered as an agency to resuscitate this interest.

Standards

The Tourism Technical Committee on transport has developed a draft standard in transport with the assistance of the Barbados National Standards Institute (BNSI) and MTW. This draft should be discussed, modified if necessary, and adopted as a first stage to regularizing and regulating the transport industry. Standards represent best practices that should be followed, if the industry is to improve.

Accidents

The Royal Barbados Police Force (RBPF) has indicated that there are very few road accidents involving visitors and that no separate records are kept of this category of accident. The MTW Traffic Department has been trained to collect and analyze accident statistics.

It is recommended that, notwithstanding the low level of accidents involving tourists, this category of accidents should be identified and recorded. The Research Unit of the Ministry of Tourism and International Transport and the Traffic Department of MTW should collaborate in keeping these statistics.

Parking

Parking is not generally an issue in the tourism sector, but the suggested National Transport Review, as well as the suggested Urban Traffic Management Review, should both treat to street-side parking, off-street parking, loading and off-loading and park-and-ride. These reviews should address the implementation of a system of payment for on-street parking, together with a policy that limits parking duration, so that short term parking needs, which would include visitors using hired cars, can have access to street parking in Bridgetown and other shopping/commercial areas.

Both the quality and quantity of parking at visitor attractions should also form a part of the review of parking, as some of these parking areas are in dire need of repairs and expansion.

Education and Training

There are many individuals and institutions, too numerous to mention individually, that provide some element of transport services which impact the provision of transport services to the Barbados Visitor Economy. The challenge is to educate and inform them so that they provide the best service. Some institutions are already at the forefront of the battle to safeguard the industry and by extension, the transport sub-sector, through the training of transport personnel.

It is important that we get this part of our service right. It is our human resource component that has been praised internationally for our success as an independent emerging nation. To this end, it is this same human resource component that will have to sustain us and take us forward if we are to retain our position as leaders in the Caribbean and indeed the wider world (see also Report III, Section 1.0). We have little else by way of resources to depend on.

Legislation, Regulations and Rules

There are several pieces of legislation and other documentation that impact the provision of transportation services to the tourism industry. Among these are:

- Highways Act & Regulations
- Road Traffic Act & Regulations
- Act & Regulations establishing the Barbados Transport Authority
- Highway Code
- Draft Proposed Guidelines for the Operation of Transportation Services in Barbados

The existing laws and regulations are revised and updated from time to time, new legislation is introduced (e.g. the Act establishing the Transport Authority which is a recent piece of legislation), and other documents produced (e.g. the Highway Code and the Transport

Standards document); all aimed at keeping Barbados at the cutting edge of providing good value for money in the transport industry.

The TMP recommends further modification to existing laws and/or the drafting of new legislation to promote better service to locals and visitors during the Master Plan period 2014-2023. For the safety of visitors and for our own protection especially on the roads, these laws must address issues across the broad transport spectrum.

Transport, Energy and the Environment

MTW has announced a green energy initiative involving the purchase of metal poles to replace the wooden poles currently being used. This would mean reduced purchase of wooden poles and greater contribution to saving trees.

The Ministry of the Environment is in the advanced stage of a carbon emission reduction initiative that has and will continue to affect transportation. The fuel used in vehicle air-conditioning units as well as the fuel (gas/diesel) that propel vehicles will eventually have to conform to international standards. This may mean retrofitting current vehicles and ensuring that new vehicles meet the new standards accepted and required by the industry.

The move towards alternate sources of energy must also be embraced by Barbados, especially in the tourism sector. The dependence on conventional forms of energy (diesel and gasoline) is fast becoming unsustainable. As the prices of these commodities rise, so will the price of our tourism product. With our resources of both sun and wind, alternate sources of energy should be high on our research calendar (see also Report II, Section 1.2.3).

There is already a move to introduce electrically propelled vehicles to Barbadians. This development should be closely monitored, making it, cost permitting, a greater part of the transport sector, thus supporting the initiatives that promote a green economy (see also Report II, Section 2.0).

Transport Charges in Tourism

Tourism is seasonal, with the high season being December to April, and the low season from May to November. Hotel charges reflect this reality. Transport charges in the tourism sector should also reflect this. Similarly, hotel rates make concessions for our CARICOM visitors and the transport charges should follow suit. The tourism transport community may require further concessions in the areas of costs of fuel and parts before they agree to seasonal fares.

Strategic Outlook

Given all that has happened in the ground transport sector since the last National Transport Study was conducted in 1995-1996, there is an urgent need for another up-to-date, comprehensive review of all aspects of ground transportation to chart the way forward for the next two decades.

The main institutions and relationships that currently exist in the transport sector are sound. The setup of a Planning Unit in MTW is a forward step. This could be strengthened by the inclusion of transport planning and research capability within the Unit. The establishment of a Transport Authority is also a move in the right direction. This fledgling agency should be provided with the necessary resources to carry out its duties and functions, and consideration should be given to including all public transport, including tourism-related transport, in the mandate of the Transport Authority.

Both the GAIA and BPI are progressing with Master Plans for further upgrading and expansion at these two important tourism facilities. The implementation of these plans will improve ground transport services at these points of entry/exit, particularly the problems created by traffic congestion at, and in the vicinity of, the airport and seaport.

BTB should re-evaluate its stance on limited involvement within the tourism sector to allow visitors a less expensive option of travel consistent with the Government declared policy enunciated in the White Paper (Strategic Solutions Inc., 2012, p. 252) to "*expand the range and accessibility of different transportation options to visitors"*.

The metering of taxis/maxi-taxis is long overdue and should be addressed urgently to maintain, and in some cases restore, confidence in the fare system. The policy as it relates to operation of tour businesses at the airport and seaport should be reviewed and a mechanism devolved that would allow for wider and more direct participation by taxi owners/operators and the smaller tour operators in the transport business. It is suggested that any new arrangements should also allow for greater participation of the wider taxi network in opportunities at the airport and seaport. Some flexibility in fares should be considered to reflect seasonality, as is the case in hotel rates.

Highways and roads are generally in fair condition, but greater attention must be directed at locations where the majority of our tourism plants are located. Access to existing attractions and scenic areas should be better maintained. It is equally important to undertake improvements to existing signage that would facilitate visitor and local travel throughout Barbados.

Finally, Barbados should continue to pursue its quest to meet international standards in the provision of transport services, and should seek to adopt new technologies that would bring transportation and transport-related services in line with initiatives that promote a green economy (refer Report II, Section 2.0).

Actions that are proposed to enhance ground transportation services within the context of the Barbados Visitor Economy are listed below, and more fully described in Section 1.1.8.1. These Actions are in support of Strategic Imperative 8 on '**Improve the Transportation of People on Land and Near Shore** and corresponding Strategy 8.1 which states: "*Streamline the movement of people on land and in near-shore waters through enhanced infrastructure, products and services*". Note that Action 8.1-2 pertaining to near shore transportation is presented in Section 1.4.6.

8.1-1 Create a Traffic and Transport Task Force

8.1-3 Extend Road Signage Programme

8.1-4 Meter Taxis and Maxi Taxis

8.1-5 Develop Bajan Taxi Tours

8.1-6 Implement a Speightstown Shuttle Service

8.1-7 Improve Access through Eastern and Southeastern Areas

8.1-8 Construct College Savannah to GAIA Coastal Route

8.1-9 Improve Oistins Centre Circulation Patterns

8.1-10 Develop an Incentives Programme for Taxis

1.1.1 Introduction

The White Paper on Tourism Development in Barbados (Strategic Solutions Inc., 2012, p. 113) states that:

> "*Barbados is known for its modern, reliable and in some cases, sophisticated infrastructure and utilities base. A recent World Economic Forum report ranks Barbados ahead of the USA with respect to the quality of its road and telecommunications infrastructure*"; and
>
> "*The infrastructure for tourism is critically important and wide-ranging. It includes telecommunications, road networks, signage, information centres, convention and conference facilities, etc…Barbados' excellent infrastructure is a source of competitive advantage in the region*".

Also according to the White Paper (Strategic Solutions Inc., 2012, p. 235):

> "*A strong transport infrastructure (and specifically transport system)" is one of the basic support structures for a thriving and strong Tourism product*".

In furtherance of this objective, the White Paper outlines the following policy initiatives for developing the Ground Transportation sector in Barbados (Strategic Solutions Inc., 2012, p. 235):

- Develop a coordinated national approach to create an effective system for tourism signage
- Review current road signage policy to ensure maximum efficiency
- Allocate resources to the development and maintenance of an efficient road infrastructure for vehicular and pedestrian traffic
- Consider standardizing the use of international symbols and where practicable the use of foreign language signage
- Continuously upgrade and maintain directional and interpretative signage around the island
- Facilitate the use of quality-designed, environmentally sensitive, interpretative signage for entryways, streetscapes and public facilities
- Continuously maintain and upgrade existing infrastructure in order to improve accessibility and mobility
- Improve the accessibility and infrastructure of rural areas to allow these areas to unleash their tourism potential
- Develop bi-annual product assessment tours with the Ministry of Tourism and representatives from the relevant agencies to monitor and assess the quality of the tourism infrastructure, to ensure that standards are maintained on an ongoing basis and any gaps within the system are identified and documented to be addressed within specific timelines
- Provide continuous training for taxi drivers and other transport operators in order to enhance their services
- Implement a metered or dispatch system for taxis and regulate fares across the sector
- Expand the range and accessibility of different transportation options to visitors
- Consider the safety and standards of ground transportation services to satisfy the needs of tourists

- Implement a scheduling system for bus service and make information available through various media for ease of access
- Improve standards and quality control among all forms of ground transportation
- Improve ground transportation services for the tourism industry and eliminate bottlenecks
- Encourage entrepreneurship in the provision of transportation services
- Encourage the development of themed touring experiences in line with the niche markets that are being targeted
- Improve the linkages and co-ordination among different forms of transportation and encourage strategic alliances with other stakeholders in the industry
- Ensure the development of an efficient road infrastructure, particularly the upgrade and maintenance of secondary and tertiary roads leading to tourist sites and attractions
- Ensure the national transport network as a whole offers safe, comfortable, efficient, accessible transportation to key business centers and tourist attractions

Within the context of the TMP, ground transportation may be defined as: '*the infrastructure, systems, facilities and personnel/institutions operating within the existing legislative framework that make for the orderly and safe movement of people, goods and services on the island.'* It comprises the following:

- On-Land Facilities at Airport and Seaport
- Local air rides (similar to Bajan Helicopters and other light aircraft rides)
- Roads and road furniture
- Traffic (Vehicles/Pedestrians)
- People/Institutions
- Legislation, Regulations, Rules, etcetera.
- Utilities

1.1.1.1 Recent Initiatives in Ground Transport

Since the last National Transport Study in 1996, government's policies on the importation of reconditioned vehicles has resulted in significant increase in vehicle ownership with its attendant outcomes, among them the development of new entrepreneurs in the field of importation of used vehicles and parts, the increase in employment and unfortunately, some degradation of the environment due to the increase in deteriorated, older vehicles.

There has been significant expansion of, and improvement to, the lone airport and seaport, and the scheduled upgrading of both these points of entry in the near future. There are still however, too many negative comments surrounding the levels of service at these important tourism venues, indicating therefore the need to raise the standards and level of services to match the level of the physical plants.

There has been, as a result of government's policy, an increase in the number of vehicles in all categories operating in the tourism sector, except in the hired vehicle category where there is no limit. Consideration is also being given to introducing a new category of luxury vehicles in the tourism sector.

In the areas of highways and roads, there has been significant upgrading of the ABC highway to two-lane dual carriageway status in the urban area, and a similar undertaking is now underway in the case of the Ronald Mapp Highway (RMH; formerly Highway 2A). The

Bridgetown Inner and Outer Bypasses have been upgraded, and there has been upgrading and expansion of most of the major highways throughout the country.

In the areas of Traffic Management and Road Safety, there have been improvements in the following initiatives:

- Jersey barriers dividing directions of flow along our two newer highways
- Speed control humps along some of our development roads and local public roads
- Provision of sidewalks in the urban areas and near schools
- Introduction of a series of roundabouts and traffic lights at critical junctions
- Provision of more bus lay-bys and shelters for the travelling public
- Construction of multi-storey carparks and other surface car parks
- Control of parking in Bridgetown and its suburbs
- The provision of lights controlled at pedestrian crossings and one pedestrian overpass to date
- The mandatory wearing of seat belts for drivers and passengers and the wearing of helmets for motor cyclists and passengers

The new technologies have brought about significant improvements in the design and operation of road vehicles and the general convenience of users. The computer and cellular phones are prime examples of this. These advancements have come at a cost with driving/walking and talking/texting on the roads posing an ever-present distraction that could lead to accident and deaths.

In general, road accidents and fatalities still occur too frequently, to the extent that the Barbados Road Safety Association (BRSA) has found it necessary to erect, across this island, symbols as shown in Figure G1 as stark reminders that accidents cause the loss of lives and with them immeasurable economic, social and human costs.

The TMP cautions against the proliferation of these symbols across the country as they may create the impression that Barbados' roads are not safe and that the island is one major cemetery; this would send the wrong message to our visitors. As fatalities increase, we need to find other means of conveying the message to the public without alarm to our visitors.

Figure G1. The Barbados Road Safety Association 'symbol' at fatality locations.

1.1.1.2 Need for a Review of Current & Future Transport

As stated earlier, the last comprehensive review of our transport sector was undertaken almost twenty years ago. There is an urgent need for an up-to-date comprehensive review of all aspects of ground transportation in the near future, to chart the way forward for the next two decades.

Methodologies

The movement of visitors along Barbados' road networks is an area that influences the viability of our tourism product through physical linkages. In keeping with the policy directives of the White Paper, research and interviews/discussions with the relevant agencies were guided by the following parameters, although the intention was not necessarily to answer each individually:

- What are the plans for upgrading and expanding the roads network?
- What are the safety issues with respect to the roads network? How can safety be improved?
- Is road signage adequate to direct persons on self-guided tours? How can it be improved?
- How do we realize a more efficient on-island transportation system which will facilitate / ease the movement of tourists?
- What is the capacity of public transportation (tour operators, taxis, limousines, hire cars, and buses) to meet the future needs and expectations of tourists?
- What are the standard requirements of the on-Island transportation industry?
- How is it organized and operated? Who are their key "players" and organizations?
- What are the safety issues regarding on-island transportation?
- Can the ports be better organized and configured to facilitate the movement of passengers inbound and outbound?
- Could Barbados' air space be better utilized to transport tourists, for example, via helicopters or light aircraft?
- Which TMP strategies and actions will address how to make on-island transportation better, meet the needs of tourists over the next 10 years, and be accepted by the industry?

Approach to Undertaking the Transport Assignment

The visitor transport experience in Barbados commences on arrival at the particular port of entry, seaport or airport, and continues throughout the stay, ending with delivery to the point of entry for departure. The whole review and examination of the transport experience and recommendations have been undertaken to reflect visitor and local experience and expectations in this area. The underpinning philosophy is that if it is done well for locals, our guests will enjoy the experience.

1.1.1.3 Current Institutional Arrangements in Ground Transport

The current organizational transport structure in Barbados is illustrated in Figure G2. The main players in relation to transport in Barbados are the Ministry of Transport and Works (MTW) and the International Transport Division (ITD) of the Ministry Tourism and International Transport (MTI).

The role of the MTW may be broadly described as follows:

- Policy formulation and implementation; to this end, MTW has established a Planning Unit headed by a Chief Planning Officer whose remit is not limited to transport, given the other roles and responsibilities of the Ministry (e.g. government buildings, equipment, etc.)
- Administration of Highways Act, Road Traffic Act and other relevant legislation
- Road Construction & Maintenance
- Traffic Planning & Management
- Licensing/Registration of all vehicles through the Barbados Licensing Authority
- Planning, monitoring and regulating of the public transport system (provided by the state and by private providers) through the Transport Authority established by an Act of Parliament (Act 2007-28); the mandate of the Transport Authority does not seem at present to extend to transport within the tourism sector

The International Transport Division (ITD) of the Ministry of Tourism and International Transport is responsible, *inter alia*, for oversight regulation of Grantley Adams International Airport Inc. (GAIA) and the Barbados Port Inc. (BPI). However, both these bodies are autonomous and have direct responsibilities for administering and managing ground transport for tourism within their respective jurisdictions. ITD is responsible for registering tour operators and tour coaches (pers. comm., A. Belgrave, Acting Permanent Secretary and Staff, ITD, 2012).

The Ministry of Home Affairs (MHA), through the Royal Barbados Police Force (RBPF), has responsibility for enforcement of laws and regulations, for the management of car parks and traffic wardens. The RBPF works closely with MTW and other relevant agencies in the management and administration of traffic and transport matters (pers. comm. SSgt. Jordan, RBPF, 2013). The Ministry of the Attorney General has responsibility for the drafting of new and updating all legislation with respect to traffic and transport.

The Prime Minister’s Office, through the Chief Town Planner (in conjunction with MTW), is responsible for setting and maintaining standards for our network of roads. The Ministry of Finance is responsible for providing financial support of Government components of the ground transport sector.

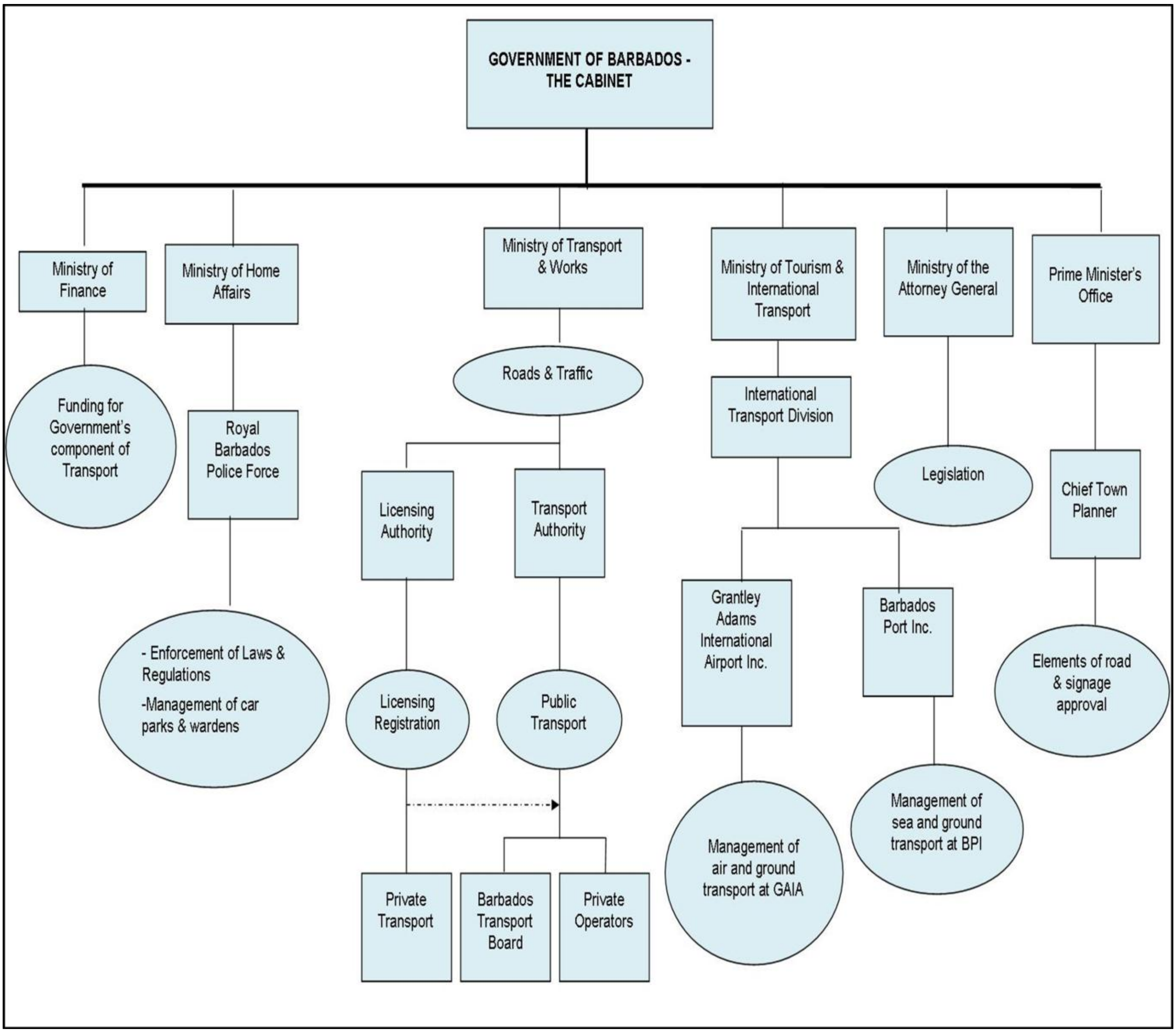


Figure G2. Organizational Structure for Transportation in Barbados (Government of Barbados, 1996: modified by N. Edwards, 2013).

1.1.1.4 Proposed Institutional Arrangements in Ground Transport

The current institutional arrangement for the transport sector in Barbados is sound and needs no fundamental reorganization. However, the following suggestions will help strengthen the sector over time:

- It is suggested that the Planning Unit in MTW be strengthened with the inclusion of a dedicated Transport Planner and that current staff be exposed to formal training in transport planning

- It is recommended that the Transport Authority is provided with the appropriate staff and equipment to properly carry out its duties and functions as outlined in the Act, and that consideration is given ultimately to including all public transport (including those involved in the tourism sector) in the mandate of the Transport Authority
- An inventory of all vehicles involved in the tourism sector should be undertaken. This inventory could be a separate exercise or could be conducted as part of any National Transport Review. There should also be a repository for this information that should be a collaborative effort between MTI and TA

1.1.2 Ground Transport Related to the Grantley Adams International Airport

Existing Ground Transport System

The physical facilities have been upgraded within the last ten years to the extent that GAIA is considered the most modern airport in the Caribbean. However, there are still some issues that are of concern to current ground transport operations related to the airport. These include the following issues:

- During airport peak periods, vehicular traffic to the airport from the ABC Highway and Highway 7 (west of the Adams roundabout) is considerably delayed along that section of Highway 7 between the Tom Adams roundabout and the roundabout at the Shell service station. During these periods, this section of road operates well below its level of service
- Access from the east to the airport is being improved with the upgrade of the Rock Hall to Kirtons section of Highway 7. Access from the east was enhanced with the earlier improvement of the Rock Hall to Six Roads corridor
- Both the Fairy Valley and Wilcox roads provide access from the south of the airport. However, both these routes, and particularly that section of the Wilcox road that crosses the aircraft approach path present their own challenges in respect of the security and expansion of the airport
- Internal vehicular movements to deliver and particularly to collect passengers still seem somewhat chaotic at peak arrival times. Even though there is an attempt to physically separate the private vehicles from public service vehicles, this separation is at best only bearable and the entire collection area taken ‘en masse’ is still one of confusion
- Parking area for the public seems adequate, but there is too much ‘mobile parking’, that is, driving around by private vehicles wanting to collect visitors
- Signage around and within the airport compound is inadequate and should be improved
- The airport is serviced by several routes from the BTB, as well as private providers of mass public transport. However, neither the design nor the scheduling of these mass transport units reflect the intention to cater to visitors using them as less expensive alternatives to taxis and related conventional forms of transport typically used by visitors
- Waiting facilities for passengers in the form of bus shelters are provided outside of the airport, but their designs are below the standard that would be expected for

facilities in close proximity to an international airport (see Figure G3; see also Figure G4for example of designs that suitably fit their surroundings)

- There is no defined pedestrian pathway between the airport compound and the bus shelters; pedestrians have to walk through the public carpark
- There is no covered protection for visitors or airport staff who use the public transport services outside of the airport
- The airport authorities have reported that there is still the problem of poaching by unauthorized taxis collecting passengers from the airport (pers. comm. J. Johnson, COO, GAIA Inc., 2012)

Figure G3.Bus shelters outside of the GAIA compound. Sponsors should be asked to rebuild these shelters to conform to current airport design.

Figure G4.Bus shelters designed to fit the environment in which they are located.

Future GAIA Ground Transport System

The airport authorities have commissioned and completed an Airport Master Plan that addresses many of the existing issues, (including some of those mentioned above), and will face within the next two decades in its quest to be the hub of air travel in the Caribbean (Jacobs Consultancy, 2011).

The Plan addresses and evaluates most areas of the ground transportation system around and impacting on the airport, both landside and airside, including external and internal access roads, levels of service of these roads, and parking of all categories of vehicles involved in the servicing the airport. This Section of the TMP attempts to predict future trends in the ground transportation network in accordance with the airport development needs.

The GAIA Master Plan (Jacobs Consultancy, 2011; see Chapter 11) deals with the matter of ground access to the airport by way of the arterial roads, that is, the ABC Highway and Highway 7, internal access to the terminals from the landside and the negative effects of visual intrusion and vehicle fumes intrusion, in addition to the airside access and the issue of aircraft noise levels. Further proposals for the future of the Ground Transportation System to service future airport development needs are also outlined.

Recommendations for GAIA Transportation

The TMP has reviewed and generally supports the GAIA Master Plan in respect of its findings and recommendations. In particular and in respect of arterial access to the airport, our findings confirm that action needs to be taken in the short term to alleviate the congestion experienced on Highway 7 outside of the airport during airport peak periods, as a result of the mix of airport traffic and the considerable amount of traffic bypassing the airport into St. Philip.

This short-term solution should take the form of providing an exclusive lane for vehicular traffic towards St. Philip, and an exclusive middle lane for vehicular traffic into the airport compound. This would appear to be the responsibility of central Government through MTW. The medium-term solution of providing a special airport vehicular access from the Adams roundabout via the current airport exit is also supported and can be treated as part of the airport development plan.

The role of mass public transport in current and future airport operation must be addressed. The GAIA Master Plan minimally addresses this matter, acknowledging that all the providers of mass public transport supply services ‘outside of the airport’ and that the state owned Transport Board also provides services to the staff of the airport. The Plan is however silent on the role of mass public transport in the future development of air services.

The Transport Board has stated that it will not compete for visitor ground travel services at the ports of entry and will only get involved on the request of the main private sector providers. It will continue to service its routes to which all travelers, including visitors, have paid access. It continues to respond to requests from hotels and groups for charter services (pers. comm., L. Holder, Manager PR, BTB, 2012).

The White Paper (Strategic Solutions Inc., 2012, p. 252) has enunciated a clear policy on involvement of mass public transport in the future development of the airport. Among its policy initiatives for Ground Transportation is the following:

> *“Expand the range and accessibility of different transportation options to visitors”.*

With reference to mass transport passing GAIA zone, the current position of the BTB that it “…does not compete with other players for business in the tourism sector” runs counter to the above policy initiative, and the BTB position should be re-evaluated to allow for more involvement of mass public transport in the future development of GAIA.

> It is recommended that there should be improved bus service to and around the airport, and bus schedules planned around flight arrivals and departures, which should not impact on services island-wide.

Units should be of the type designed to carry visitor luggage as well. There should also be electronic as well as painted signboard displays of schedules of services on the airport compound. Services should also be aimed at airport staff.

Metering of taxis should be implemented so that persons using them would not feel that they are being unfairly charged. In the absence of metering, a zonal fare system should be introduced so that users are aware and do not consider that the charges are unfair (refer Action 8.1-4).

There are some 280 taxis operators who operate from the airport. These have permits to operate and are controlled by the threat of having permits withdrawn if they violate the permit agreements. A taxi stand is provided and they operate largely on a first come/first serve basis. Aside from this, they regulate themselves (pers. comm. J. Johnson, COO, GAIA Inc., 2012). Provision is made in the GAIA Master Plan for improvement to taxi operations.

With specific reference to the transfer of 'air-to-sea' passengers from GAIA to the Bridgetown port round-trip, it is understood that one or two of the larger tour operators undertake the majority of this business. It is also understood that some of this business is subcontracted to other operators, including the Transport Board (pers. comm., M. Thornhill, Goddards Tours, 2013).

It is recommended that airport policy be reviewed to allow for wider participation by taxi owners/operators and the smaller tour operators in the airport transport business.

1.1.3 Ground Transport Related to the Barbados Port

Existing Transportation System

The existing ground transport situation at the Bridgetown Port is as follows:

- The Port is serviced by a series of roads internally and externally that appear adequate
- The main south access gate is off the Princess Alice Highway (PAH); vehicular traffic using this access usually passes through the T-junction with Prescod Boulevard. This presents its own difficulty for vehicles exiting the Port, as the 'right-of-way' is with vehicles turning from PAH onto PB and vice versa. There is also a pedestrian crossing at this junction
- There are two other access points, the central gate and the north gate. The central access is wide but its junction with PB is in a dangerous bend and should be improved; the junction of the north access with PB is a roundabout which is adequate
- Parking within and outside of the Port seems inadequate for public service vehicles(PSVs) as well as private vehicles
- Areas for collection and drop-off of passengers are limited and not well organized
- There is inadequate signage around and within the Port.

For vehicular cruise passenger movement, the Port is served by 2 - 3 major tour operators, hired cars and motorcycle businesses, and two taxi entities operating a total of 225 taxis and maxi-taxis. The tour operators subcontract work to other tour coach operators, to the Transport Board and to individual taxi owners/operators.

Arrangements for local tours through the tour operators are part of the cruise packages. Fares for taxi service between the Port and specific locations around Barbados are posted at the Port, but individual and group tours using the taxis are arranged on the spot, and the fares are negotiated (pers. comm., A. Benn, Security Manager, BPI, 2012). The Port taxi operators complain that most of the local tour business is arranged between the major tour operators and the cruise lines, and that the taxis have to compete for a small portion of the business (pers. comm., H. Riley, Independent Seaport Taxi Union, 2012).

The Bridgetown Port is currently undertaking a Master Plan initiative, but this could not be made available. However, the draft had not yet addressed the road infrastructure issues within and around the Port (pers. comm., Ian Stuart, Manager Operations, BPI, 2012).

Discussions with the Port revealed that the intention is to:

- Separate the cruise business from that of cargo
- Provide larger and better facilities for cruise passengers
- Improve the physical layout of the collection and deposit points for passengers

TMP Recommendations for Port Transport

In addition to the BPI's intentions to improve operations at the seaport with the separation of cruise from cargo, and the improvement to passenger deposit and collection points, it is recommended that attention be directed to the following:

- Improving access to the Port with the construction of roundabouts at the south end of Prescod Boulevard and at the traffic light junction of Redman Road and Prescod Boulevard
- Improving the line of sight for vehicles entering/exiting the Port using the centre access point
- Improving the signage in and around the Port (see also Section 1.3);
- Metering of taxis operating out of the Port
- Developing a special fare arrangement for taxis on tours
- Developing an arrangement for the taxi association to have a larger share of the tour business
- Developing an arrangement for greater participation of the wider taxi family in the work at the Port (refer Actions 8.1-5 and 8.1-10)

1.1.4 Highways and Roads

1.1.4.1 General

The road infrastructure in Barbados is classified by MTW as Primary, Secondary, Local and Development roads. The 1996 figures, as outlined at paragraph 3.2 of the National Transport Plan (NTP, Government of Barbados, 1996) were as follows:

Approximate total length of all roads was 1,500 km comprising:

- Primary - 25%
- Secondary - 14%
- Local - 41%
- Development - 20%

No new highways or secondary roads have been constructed since the ABC Highway was completed circa 1990, although there has been considerable upgrading of some highways, e.g. the ABC Highway and the Ronald Mapp Highway (formerly Highway 2A). The approximately 100km of roadway constructed since the 1996 NTP, has been predominantly Development roads. The *current* corresponding figures may be reasonably put at the following:

Approximate total length of all roads is 1,600km comprising:

- Primary - 23.5%
- Secondary - 12.5%
- Local - 39%
- Development - 25%

Barbados has a network of highways and roads approximately 1,600 km. in length that is generally in good condition. This network comprises:

- The newer highways comprising:
  - Adams-Barrow-Cummins Highway (from Worrell Roundabout to GAIA)
  - Spring Garden Highway (Fontabelle to Worrell Roundabout)
  - Ronald Mapp Highway (Highway 2A)
  - Ermie Bourne Highway (East Coast Road)
  - Duncan O'Neal Highway (St. Lucy's Church to Belleplaine)
- Traditional Main Highways:
  - Seven (7) Highways radiating from within Bridgetown and suburbs clockwise from the west coast to south coast together with subsets of these highways (e.g. Highways 1, 1A, 1B and 1C, 2A, 3A, 3B, 4A, etc.)
  - A series of highways lettered (A to Z) that crisscross the country linking the superhighways and the numbered highways
- By Pass Routes:
  - Bypass routes
  - Inner and Outer Bypasses around Bridgetown
  - Speightstown Bypass
- Other Roads:
  - Secondary Public Roads

- Residential Access Roads
- Access roads to Industrial/Commercial Estates
- Access roads to Agricultural Lands

1.1.4.2 Adequacy of Road Network

Barbados has a network of superhighways, highways and other roads that is generally in good condition. The advent of the superhighways commenced in the 1960's and early 1970's with the construction of the Ermie Bourne Highway (formerly the East Coast Road or Belleplaine to Cattlewash Road), University Drive (now part of the ABC Highway) and the Speightstown Bypass.

In the 1980's and early 1990's, the Spring Garden Highway and the ABC Highway were constructed, the Ronald Mapp Highway (formerly Highway 2A) between Warrens and Mile and a Quarter was reconstructed, and the Duncan O'Neal Highway from St. Lucy's Parish Church to Greenland/Shorey Village junction was upgraded. This was followed in the early 2000's with the upgrading and expansion of two circular routes around Bridgetown, that is, the Inner and the Outer Bypass routes.

The construction, reconstruction and upgrading of these superhighways together with the continuous maintenance of the traditional highways and the maintenance/construction of other developmental roads have created an impressive network of roads that guarantees both locals and visitors, vehicular and pedestrian access throughout Barbados.

The one exception is in the Scotland District where the road network is noticeably less dense and where road failures occur with regularity. A 1989 study of the roads in the Scotland District resulted in recommendations that have seen the construction of better roads (e.g. Horse Hill to Gaggs Hill and Shorey Village to Belleplaine), the reconstruction of several bridges, and a general improvement in repairs to roads that have made failures a less frequent occurrence. These have provided greater accessibility to and through the Scotland District.

MTW and other relevant agencies (e.g. Ministry of Agriculture and Soil Conservation Unit) are constantly testing new technologies and methodologies in an effort to overcome land slippage and road failure, thus improving access for visitors and locals to the most picturesque and recreational part of Barbados.

1.1.4.3 Recent Work on the Road Network

Within the last 10 to 15 years, significant upgrade and expansion of the network of highways/roads have been carried out. This section will analyze the network and highlight the strengths and shortcomings of the improvements, the opportunities for further improvements, and barriers to such opportunities.

Spring Garden Highway

In the case of Spring Garden Highway (SGH) that runs from the junction with Fontabelle/Kensington Oval to the Frank Worrell Roundabout at the bottom of University Hill on Highway 1, except for resurfacing, no major work has been undertaken in recent years.

This 3 km stretch of superhighway was built in two phases:

- Phase 1 (1979) – Holborn Circle to Exmouth/Deacons- approximately 1 km of 2-lane Dual Carriageway (DC) highway with right turning access to Westbury Road and Deacons Road
- Phase 2 (1986) – Exmouth to Highway 1 at Frank Worrell Roundabout- approximately 2 km of highway merging into 2-lane 2-way from just beyond its junction with Exmouth to Highway 1

The importance of this short section of primarily coastal route is highlighted by the following:

- The SGH acts as a bypass of the congested President Kennedy Drive-Eagle Hall-Black Rock corridor
- It provides access from the north and east of the island to Kensington Sports Complex, the West Indies Cricket Legends Complex, Bridgetown, the Port, the Harbour Industrial Estates and many other business/commercial locations to the south of this road
- It provides access to the upscale west coast properties and golf courses from Bridgetown, the Port and the south coast to the west, east and south of the island
- It is littered along its length with significant national businesses/agencies such the Flour Mill, Barbados Coast Guard complex, Barbados Light & Power Spring Garden Plant, Mount Gay Rum Distilleries, Ionics Freshwater(a sea water conversion plant) and an SOL oil refinery
- It provides access to residential areas on both sides and it has a large parking area which is used as a park-and-ride venue for activities at Kensington Oval
- The beach along the SGH is heavily patronized and the SGH is focal point for activities during Barbados premier festival-Crop Over

These all point to heavy continuous utilization of the SGH by visitors and locals throughout the year.

Over time, several traffic management measures have been introduced including changes to the sequencing and timing of traffic lights at the Fontabelle/Holborn junction, prohibition of right turning traffic on to this highway and the elimination of U-turn traffic as well. Resurfacing of this highway has ensured that its quality remains at a high standard. Sidewalks and verges are provided for pedestrians and for emergency parking.

The SGH is a high-speed road with a speed limit of 80 km/hour. It has multiple private and commercial accesses. There are no designated pedestrian crossing points, so, persons cross the road at their own risk. Unfortunately, there have been accidents resulting in fatalities on this road. Signage symbols were erected along this route by BRSA after a fatality, as a reminder to road users to exercise caution in using the roads. Road signage and street lighting also need to be improved.

Opportunities exist along the SGH for installation of pedestrian crossing facilities, upgrade of signage, improvement of lighting, and improved road markings also for reduction in accidents. A temporary car parking site on the land side and opposite the beach bar and restaurant is a suitable site for permanent parking for a park-and-ride system if and when implemented.

No major road improvements are planned for the SGH. Only normal maintenance and safety improvements will be undertaken.

The TMP recommendations for SGH include:

- Installation of a footbridge across the SGH at Weisers Bar
- Improved signage along Highway 1
- Improved lighting
- Generous use of reflective paints and other reflective materials to highlight road edges, centre lines, turn off lanes

ABC Highway

The ABC Highway, which was commissioned in 1989, runs from the roundabout at the base of University Drive to the Grantley Adams International Airport. The improvements carried out along this corridor within the last 5-7 years have significantly aided traffic management of this corridor and improved traffic flows.

These improvements include:

- Upgrading sections of the highway to 4 lanes between Warrens in the north and Graeme Hall in the south
- Installation of jersey barriers between opposing directions located between Warrens and Graeme Hall. This has improved safety on the highway by eliminating or reducing direct head-on collisions and any illegal right turns off/on to the highway
- Modification to the Belle junction to eliminate traffic crossing over the highway or making the right turn on/off the highway
- Installation of a roundabout junction at the CDB/SJPP T-junction to facilitate movement of traffic in this area
- Elimination of right turning traffic from the Wildey road on to the ABC highway
- Modification of the Upton/LIME junction to eliminate right turning traffic
- Modification of the Wildey/Highway 6 junction to eliminate right turning traffic from the Garfield Sobers roundabout on to the section of highway between Courtesy Garage and LIME
- Conversion of the triangular set of roads between Highway 6, Highway R and the Courtesy/Cable & Wireless section into a one-way section
- Implementation of a traffic management scheme in the Warrens area
- Installation of directional signs along the entire length of the highway including gantry signs over the highway at Wildey
- Hot mix overlay along its entire length

The ABC highway has an excellent surface and improved lighting and signage. 'Jambusting', a legitimate manoeuver in which two vehicles entering the roundabout on the same leg and in adjacent lanes vie for a single exit lane, has been virtually eliminated and safety has been improved with the use of jersey barriers, pedestrian crossings and the elimination of right turning traffic on and off the highway. The capacity of the highway has been increased with addition of extra lanes and with the introduction of a one-way circulation in the triangular set of roads in the Wildey area, involving Highway 6-Highway R and the link road between Courtesy Garage and Cable & Wireless Offices.

"Jambusting" still occurs at Kendall Hill & Graeme Hall Roundabouts and there is major diversion of traffic through an otherwise peaceful residential Parkinson Field. The Kingsland and Lowland junctions need revisiting with a view to improvements, Highway 6 at Wildey is congested and crossover traffic on the Courtesy/LIME section is sometimes chaotic and dangerous. Evening peak traffic bottlenecks at Graeme Hall and Kendall Hill Roundabout, and there is no emergency exit for traffic between Warrens and Hothersal Roundabouts, or between Garfield Sobers and Graeme Hall roundabouts.

Regarding safety issues on the ABC Highway, opportunities exist for further improvement with the addition of outbound lanes between Graeme Hall and Kendall Hill and between the Kendall Hill and Kingsland junctions. This would eliminate the controversial but legitimate ‘jambusting’ maneuver entirely from the Highway. It would reduce the peak period bottle necking of traffic by increasing road capacity. Opportunities exist for making all pedestrian crossings safer to use. Through traffic should be prohibited from Parkinson Field residential district, and the roundabout outside CDB should be redesigned and shifted southwards to allow this traffic to enter Wildey Road directly, rather than passing through Parkinson Field.

Improvements to Highway 6 between the SOL service station at Wildey and the Culloden/Collymore Rock junction have been discussed. These improvements are necessary to alleviate congestion along this route even during off peak periods. The recently introduced one directional traffic flow between the said service station and the Y-junction outside of the RUBIS service station has helped to ease traffic congestion in the area. The installation of Jersey barriers has undoubtedly brought a greater measure of safety along the highway, but it has also brought its challenges.

Figure G5 illustrates a traffic build up on the ABC Highway subsequent to an accident. The difficulty of access for emergency vehicles is evident. Dependent on the type of incident, those vehicles/persons in the build-up could be at risk. Properly designed and secured removable emergency exits at regular intervals (i.e. every 300 to 500 m) within the Jersey barriers, under the control of police or other appropriate disaster management agency, could possibly be a consideration in easing the congestion and allowing emergency vehicles/personnel to be more effective.

Figure G5. Traffic congestion on the ABC Highway.

The challenge would be predominantly financial. In this difficult economic environment, Government may be challenged to allocate further funding to a project on which there has already been multi-million dollar expenditure and for which the loan is currently being repaid. A lesser challenge would be gaining stakeholders’ support for the suggested changes.

In TMP meetings with MTW personnel, the Ministry’s programme for this highway was as follows:

- Discontinuation of the right turn traffic on to Warners, Christ Church from the Graeme Hall roundabout which has recently been implemented
- Implementing an energy saving project in the form of replacement of existing lights with energy saving bulbs
- A ‘green energy’ initiative involving the purchase of metal poles and the replacement of wooden poles
- Construction of a footbridge across the highway outside the Parkinson Memorial Secondary School (now constructed)
- Continuous maintenance of the highway

The Tourism Master Plan recommends the following:

- Construct second outbound lanes at Graeme Hall and Kendall Hill; MTW should undertake necessary traffic volumes checks to see if this action is justified
- Place pedestrian controlled lights at all at-grade crossings. Lights may be continuous flashing ones or demand lights
- Light pedestrian crossings and encourage pedestrians to wear light coloured clothing at nights for easy detection
- Provide more advanced warnings on the approach to crossings
- Redesign SJPP/CDB junction to remove/reduce traffic through Parkinson Field residential district
- Design emergency exits in jersey barriers along this highway as appropriate
- Construct a roundabout at ABC Highway/Kingsland junction
- Construct a roundabout at ABC Highway/Lowlands junction

Ronald Mapp Highway

This Highway (RMH), formerly Highway 2A, connects the ABC Highway at Warrens with the Duncan O’Neal Highway in the north. This highway was upgraded in the mid-1990’s and is currently undergoing further upgrading at its southern end with the expansion to 2-lane 2-way status between Warrens and Redman’s Village. Jersey barriers are also being used to separate opposing directional traffic, similar to what has obtained on the ABC Highway. The southern end at Warrens has already been reconfigured as part of the Warrens Roundabouts, and a Traffic Management Scheme is now being implemented (see Figure G6).

RMH is a high-speed road, used as an alternative to Highway 1, the west coast road, to which it has multiple accesses. Its quality is good as far north as Westmoreland, thereafter the surface quality deteriorates. Signage is poor, and it has inadequately defined road edges and centre lines. Except for the southern end at Warrens, the RMH is poorly lit and driving during heavy rains or at nights is challenging. Junctions are not properly highlighted, and there is the absence of road markings, studs and other paraphernalia that would facilitate driving in difficult conditions.

Opportunities exist for improving driving conditions on this highway, now that it is being redesigned, refurbished and expanded. It is expected that features such as lights, roundabouts, pedestrian crossings, bus lay-bys and shelters, road markings and other means of highlighting road edges and centre lines will be incorporated into any redesign of this route.

Figure G6.The upgraded intersection at Darcy Scott Roundabout linking the ABC and Ronald Mapp Highways.

The upgrade of this route started at its southern end, as part of the Warrens Traffic Safety Project. In discussion with MTW it was indicated that Ministry representatives are in discussion with the Caribbean Development Bank (CDB) regarding part financing for this project which will see the upgrade of the entire length to Mile and a Quarter, St. Peter (pers. comm., F. Thornhill, CTO, MTW and staff, 2012). The strategies and actions enunciated by this TMP for the RMH are consistent with proposals by MTW.

Duncan O'Neal Highway (DOH)

The Farley Hill to Greenland section of this highway existed as a substandard road that was the subject of regular slippages and failures, particularly in the hill section approaching Farley Hill. When the Arawak Cement Plant was built in the 1980's, the road from Greenland to the Cement Plant was upgraded to allow for the transport of raw material (e.g. clay) from the Greenland area to the cement plant for use in the manufacture of cement. Further upgrades were carried out in the form of bridge reconstruction, road realignment and road widening, particularly from Shorey Village/Greenland to the St. Andrew's Parish Church junction and on to the Belleplaine/East Coast Road junction. This was done to facilitate access to the Greenland landfill site.

DOH runs from the Arawak Cement Plant site at Checker Hall via St. Lucy's Parish Church through Farley Hill to Belleplaine junction with the Ermie Bourne Highway. The quality of the surface is in reasonably good condition. Except where this road passes through villages and residential areas, lighting is poor or at best non-existent. The road is difficult to drive on at night or during heavy rains, as road edges and centre lines are not highlighted and there is overgrowth along the edges.

The opportunity exists to improve safety on this road, particularly in residential areas with the addition/upgrade of street lighting, reflective traffic markings and directional signage, highlighting of road edges/ centre lines, regular weeding of road edges and trimming of overgrowth.

MTW's programme for the DOH is to continue regular maintenance and improve directional signage, since this is a route that is regularly and heavily used by locals and visitors to the

Farley Hill National Park and for other recreational and sightseeing activities. The TMP's recommendation for this highway is to support MTW's plans.

Ermie Bourne Highway (EBH)

Formerly called East Coast Road, it was built in the 1960's and runs from Belleplaine at its northern end to Cattlewash at its southern end. It is a 2-lane 2-way coastal road used primarily for recreational purposes. Except for overlaying this road from time to time, only routine maintenance has been carried out. The road is not heavily used at night. Signage is poor and driving at night and in heavy rains is difficult because road edges are obscured. The MTW programme for this road is to continue routine maintenance (pers. comm., F. Thornhill, CTO, MTW and staff, 2012).

The **TMP recommendations** for EBH include the following:

- Highlight road edges and centre lines with reflective markings, cats eyes ,
- Upgrade the quality and quantity of direction signs on these roads.

Upgrading of Other Roads

Given the quality and sufficiency of Barbados' current road network, almost any location in the island is accessible from another within an hour, and this includes access through the Scotland District. The one exception where there may be some difficulty is traversing the Cattlewash - Bathsheba - Foster Hall - Martins Bay - Bath - College Savannah corridor. MTW indicated that the intention was to upgrade this section (Highway F). MTW had previously commissioned a study that would connect the East Coast Road at Cattlewash to the GAIA via an eastern route through the corridor mentioned. The new perspective is that this is not a priority and that the intention is only to upgrade Highway F to Martins Bay.

The current MTW programme is to upgrade the section of Highway F from Gaggs Hill - Andromeda Gardens - Foster Hall - New Castle - Bath.

The TMP supports the MTW programme for upgrading Highway F (refer Action 8.1-8in Section 1.1.8.1). In addition, a proper link road between EBH and GAIA along the east and south east coast would be desirable, but would be very expensive and could only be a long-term consideration (refer Action 8.1-7in Section 1.1.8.1).

MTW needs to continue to pursue a permanent solution to the perennial problem of road failures in the Scotland District that inconvenience motorists including visitors on sightseeing tours.

Inner and Outer Bypass Roads

The Inner Bypass Route around Bridgetown runs from the Bay Street /Jemmott's Lane junction in the south to the Westbury/President Kennedy Junction in the north and traverses Jemmott's Lane, Martindale's Road, Hall's Road, Roebuck Street, Country Road, Passage Road and Westbury Road. This route has been upgraded with the widening of roads along its route, the provision of sidewalks where possible, and the installation of various junction improvements in the form of roundabouts and traffic light controlled intersections.

The Outer Bypass Route is also a circular route around Bridgetown and runs from the Garrison Road/Highway 7 junction in the south to the Frank Worrell Roundabout junction at the bottom of University Drive. It traverses Garrison Road, Dalkeith Hill, Culloden Road, Pine Road, Welches Road, Bridge Road, Bank Hall X Road and Black Rock (Highway 1). Like the Inner Bypass Route, the Outer Bypass Route has been upgraded in a similar manner.

Both the Inner and Outer Bypasses have considerably reduced the volume of traffic through Bridgetown, making the city a safer place for visitors and locals. However, these are typical urban roads that suffer from the same weaknesses as other roads, such as congestion, curbside parking, buildings close to road edges, limited space for road expansion, inadequate signage and lighting, and limited facilities for pedestrians and public transport passengers.

The Bridgetown Bypass routes (Inner and Outer ring roads) have been in operation for about ten years. It is opportune to review this project and determine to what extent it achieved its objectives, and to plan further traffic management schemes along these corridors. The challenge is whether MTW can fund the project from its own local resources or whether external financing would have to be sought. The review could be undertaken using local resources entirely. There is no requirement for external consultants, but this may limit the involvement of International Financing Institutions (IFIs).

The TMP recommendation is to commission a Traffic Management Review of the entire urban/suburban area, the area enclosed by SGH and the ABC Highway to Graeme Hall Roundabout and the Top Rock link to Top Rock Roundabout outside the Shell service station. Traffic changes within this area would be informed by the findings of that review. BTII is also undertaking a similar review of Greater Bridgetown, and perhaps the Traffic Management review can dovetail into the BTII undertaking.

The Speightstown Bypass runs from the new rotary junction at the southern entrance to Speightstown to the Port St. Charles Marina complex. This route was constructed in the 1970's and is generally in fair condition. Other features of this route are as follows:

- This road section is wide
- Limited access directly on to it
- Sidewalks
- Road shoulders
- Traffic signals and pedestrian signals at locations along this route
- Quality of the surface is in satisfactory condition
- Road edges are well defined
- Planned development along its length
- Shortage of good road signage

The MTW routine maintenance programme for this highway is supported. The improvement in signage is also recommended.

Other Roads and Related Pedestrian Facilities

In the case of other highways:

- Highway 1 from Eagle Hall to Speightstown: No work has been done recently pending the construction of the West Coast Sewerage system which will see major excavation and traffic disruptions along this Highway. The MTW continues to carry out maintenance works as required (pers. comm., F. Thornhill, CTO, MTW and staff, 2012)
- Highway 2 from Eagle Hall-Warrens-Welchman Hall-Belleplaine: There has been some improvement along this highway in the Warrens area as part of the Warrens Roundabout and Traffic Management Scheme. Improvement has taken the form of road widening, roundabout construction, bridge construction and provision of improvement to pedestrian/public transport passenger facilities. To facilitate access to Barbados' number one attraction, Harrison Cave, the Caribbean Development Bank (CDB) and the Government have provided funding for major road works in this area to commence shortly (pers. comm., F. Thornhill, CTO, MTW and staff, 2012)
- Highway 3 from Globe Roundabout-Station Hill-Waterford-St. Augustine-Andrews-Horse Hill: Some upgrading has taken place recently in the Globe roundabout to Waterford section of this route. MTW has indicated that junction improvement in the form of a roundabout at the Waterford/Combermere junction along with improvement to the section of this highway between this junction and the ABC Highway is in the advanced stages of planning and will soon be implemented (pers. comm., F. Thornhill, CTO, MTW and staff, 2012)
- Highway 4: Some road reconstruction has been done in recent years in the Belle-Salters-Gun Hill-Groves section of this highway
- Highway 5: Some road upgrade has taken place along this highway from Government Hill through to Six Roads, except for a short section at Windsor St. George. A roundabout has been designed for the Windsor/Brighton junction and the short section of road will be improved with the installation of this roundabout
- Highway 6: Road upgrade has been undertaken from Lowlands to Six Roads; the section Newton Roundabout to Lowlands Roundabout is in urgent need of upgrading
- Highway 7: This road has been upgraded in parts in recent years particularly the Oistins to Rock Hall section.

Various works have also been undertaken on the network. For example, roadwork and sidewalk construction is currently being undertaken in the section Montrose to Gall Hill in Christ Church and ABC Highway to Providence.

In the case of pedestrian facilities along the highway, the improvements have been as follows:

The installation of the 'Jersey barriers' along the highway has stopped or reduced the dangerous and indiscriminate crossing of the highway. The selection of a series of crossing points at the junctions and the light controlled point at the St. Barnabas section also made pedestrian crossing safer.

Highway 1 (Eagle Hall to Speightstown) and Highway 7 (Bridgetown to Rock Hall St. Philip): The majority of our tourism plant is located on these two highways. The condition of these two highways, especially Highway 1, is not up to the required standards. Although generally their condition may be described as fair, there are areas in need of closer attention with respect to lighting, sidewalks, signage, pedestrian crossings, public transport passenger facilities, defined road edges and inconsistent road surface quality.

The general philosophy to maintaining these highways at a very high level of serviceability is that if we as a nation are serious that Tourism is the main economic earner, then the condition of roads, particularly the ones that provide direct access to the tourism plant, as well as the condition of the plant, should be excellent/pristine (see Figure G7).

Figure G7. Public access road to the tourist attraction at Animal Flower Cave (left) and car park at the Animal Flower Cave (right), both in need of repairs.

In the case of Highway 1, MTW has stated that it will not carry out major works on Highway 1 until the West Coast Sewerage System is installed (pers. comm., F. Thornhill, CTO,MTW and staff, 2012). Barbados Water Authority officials have pointed out that, given all that has to be done to effect installation of this sewer system, including the construction of a bypass road from the University to Holders Hill, St. James, the fully installed sewer system may be no closer than three to five years hence (pers. comm., S. Lindo, Manager, West Coast Sewerage Project, BWA, 2012).

The upgrade of Highway 1 cannot wait for another five years. Action must be taken on these two highways especially to convince our tourism investors that we are serious about tourism being our economic mainstay.

One policy initiative enunciated by the White Paper (Strategic Solutions Inc., 2012, p. 235) is that government will:

> *"develop bi-annual Product Assessment tours with the Ministry of Tourism and International Transport representatives from the relevant agencies, to monitor and assess the quality of the tourism infrastructure, to ensure that standards are maintained on an ongoing basis and any gaps within the system are identified and documented to be addressed within a specific timeline".*

It is recommended that this multi-disciplinary, multi-agency team be set up immediately, and be mandated to examine the accommodation plants and road infrastructure along Highways 1 and 7, and suggest improvements to the condition of roads and plant (refer Action 8.1-1 in Section 1.1.8.1).

Junctions and Other Road Sections Upgrade

The 1996 National Transport Plan highlighted a number of traffic and highway schemes that were being proposed at the time of that study. Some of these proposals would have been implemented. The TMP has examined those projects at Annex 2A of the NTP, and submits a revised list removing those junction schemes that are completed or that are considered minor, and adding to that list other schemes that are considered warranted by MTW (see Table G1).

In addition, the White Paper policy initiatives (Strategic Solutions Inc., 2012, p. 252) speak to the improvement of rural roads to allow their full tourism potential to be unleashed, and that would provide better access to key business centres, visitor sites and attractions as follows:

> *"Improve the accessibility and infrastructure of rural areas to allow these areas to unleash their tourism potential…ensure the development of an efficient road infrastructure, particularly the upgrade and maintenance of secondary and tertiary roads leading to tourist sites and attractions…ensure the national transport network as a whole offers safe, comfortable, efficient, accessible transportation to key business centers and tourist attractions".*

A list of rural roads is presented in Table G2, which are primarily in the Scotland District and St. Lucy. The improvement of these roads would respond to the above-stated initiatives; MTW may want to further inspect them and place on its short to medium term programmes.

Table G1. List of junctions and road sections to be considered for upgrade.

Location	Junction/Road Section
PAH	Prescod Boulevard
PB	Redmans Road
SGH	Exmouth, Brighton, Brandons
ABCH	Belle, Wildey/Parkinson Field Roundabout, Graeme Hall, Kendall Hill Roundabout
RMH	ABC Highway -Warrens Roundabout, Automotive Art, Redman's Village Westmorland, Haymans, The Whim, Mile and a Quarter
DOH/EBH	Belleplaine
H1	Eagle Hall, Holders Hill, Sea View Road
H2	Eagle Hall, Shop Hill, Allen View
H3	Bank Hall/Station Hill, Combermere/Waterford, Lears, Groves, Gaggs Hill
H4	Howells + Road/Belle, Salters, Low Estate/Flat Rock, Turnpike/Boarded Hall
H5	Howells + Road/Belle, Salters, Low Estate/Flat Rock, Turnpike/Boarded Hall
H6	Collymore Rock To Wildey, Sheraton to Kendall Hill, Newton To Lowlands
H7	Dayrells Road, Garden Land, Top Rock/Maxwell Hill, Cane Vale, Oistins Hill, Silver Sands/Thornbury Hill, Gibbons/Pegwell, Thornbury Hill/Gibbons Terrace, Providence, Rock Hall, Four Roads St. Philip
HR	St. David's/HV, HV/H6 at Bannatyne
PAH: Princess Alice Highway PB : Prescod Boulevard H1: Highway 1 HR: Highway R HV: Highway V	

Table G2. List of road sections to be considered for repairs. Most sections are located in the Scotland District.

ROAD SECTION	REPAIRS REQUIRED
North Stars Sports Centre - Crab Hill/Grape Hall junction	Road repairs & realignment
Crab Hill Police Station - Archers Bay	Major surface repairs
Crab Hill - St. Swithins Church - Connell Town	Road widening, surface repairs
Connell Town - Animal Flower Cave	Road widening, major road rehabilitation
Parking area at Animal Flower cave	Complete reconstruction
Connell Town - Hope Rd/River Bay junction	Localized repairs
DOH/Shorey Village junction-Morgan Lewis	Major repairs from Shorey Village to Morgan Lewis Windmill
Morgan Lewis - Cherry Tree Hill	Major surface repairs, road edges to be cleared and defined
Cherry Tree Hill - St. Nicholas Abbey	Road edges to be cleaned. Good surface
St. Nicholas Abbey - Diamond Corner	Road widening, road edge repairs
Diamond Corner - Boscobelle	Minor repairs. Edges need defining
Boscobelle - Pie Corner	Pockets of surface failure. Edges need defining. Road works in progress
Pie Corner - Cove Bay & Little Bay	Road widening, major surface repairs
Pie Corner - St. Clements Church	Surface repairs, road edges need defining
St. Clements-Rockfield-Chance Hall	Major surface repairs, edges need defining
Chance Hall - Pie corner	Surface and edge repairs, some widening
Boscobelle - Foster's	Minor road repairs
Foster's - Morgan Lewis	Reconstructed road. Foundation failure. Major work required
Mile & A Quarter - Alleyndale/DOH junction	Edges need defining, some foundation failure
DOH: Alleyndale - Farley Hill	Localised surface repairs needed. Verges overgrown & need repairs. Sidewalk to be cleaned and repaired
DOH: Farley Hill - Greenland Shorey Village	Foundation failure. Major repairs
EBH: Belleplaine - Cattlewash	Some surface repairs, edges need defining
Gaggs Hill - Andromeda Gardens-Foster Hall junction	Road widening and surface repairs
Andromeda Gardens/Foster Hall junction - Martin's Bay junction	Major foundation and surface repairs. Some realignment. Recently repaired section at St. Mark's/St. Margaret's junction also failing
Martin's Bay - Bath Coach Hill - Blades Hill	Realignment, surface upgrade Road widening, surface repairs, edge marking
H6: Collymore Rock - ABCH	Road widening, pedestrian facilities
H6: ABCH - Bannatyne/H6 junction	Road widening, surface improvement
H6: Newton Roundabout - Lowlands Roundabout	Road widening, road reconstruction

1.1.4.4 Road Signage

The Barbados Tourism Authority (BTA) has consistently reported that poor road signage is amongst the most persistent of complaints that it receives from visitors (CCPMG, 2006). To counter this, MTW, in collaboration with the TDC, BHTA, BTA and BTII, implemented Phases 1 and 1A of a 5-phase programme of signage across Barbados in 2006. This sub-programme was aimed primarily at meeting the needs of the influx of visitors that were expected for the 2007 ICC World Cup that was held in the Caribbean, including Barbados.

The Programme included manufacturing and erecting the following: (see also Figures G8 and G9):

- Interpretative signs that gave historical information on sites, buildings and objects around Bridgetown and some urban areas
- Directional signs along the major highways in the south and west coast tourist belt, along the ABC highway and near to visitor attractions
- Confirmatory signs (place name signs) that identified districts and villages throughout Barbados
- 'Places of interest' signs near to and at places of interest frequented by tourists that identified facilities and conveniences at these locations
- Removing signs that were erected illegally and causing signage clutter

The Programme was hailed as effective and successful in meeting its objectives in that it was extended beyond the cut-off date of 2006 with the intention of introducing other phases. It was however discontinued in 2008 citing lack of funds.

The White Paper has placed much emphasis on the importance of signage to the tourism product. The consultants for the Barbados Road Signage Programme have shown that by using a sponsorship arrangement (see Figure G10), the signage programme is virtually self-financing.

MTW indicated that there were no funds allocated to this programme since 2007-2008 and that the Ministry had actually continued the work from its own resources. It will continue to service the programme in this manner until funds are made available to conduct other phases.

BTII was the original force behind the signage programme. It is suggested that BTII again adopt this programme. There may be some residual funds left in the TDC account that could possibly be used to restart the initiative. With some effort and commitment on the part of the stakeholders, the programme can be self-financing and successful. It is important for tourism sustainability that the signage programme be completed (refer Action 8.1-3 in Section 1.1.8.1).

Figure G8. Directional signs to primary and secondary roads.

Figure G9. Place of interest sign (left), confirmatory/place name sign (middle), and typical signage clutter (right).

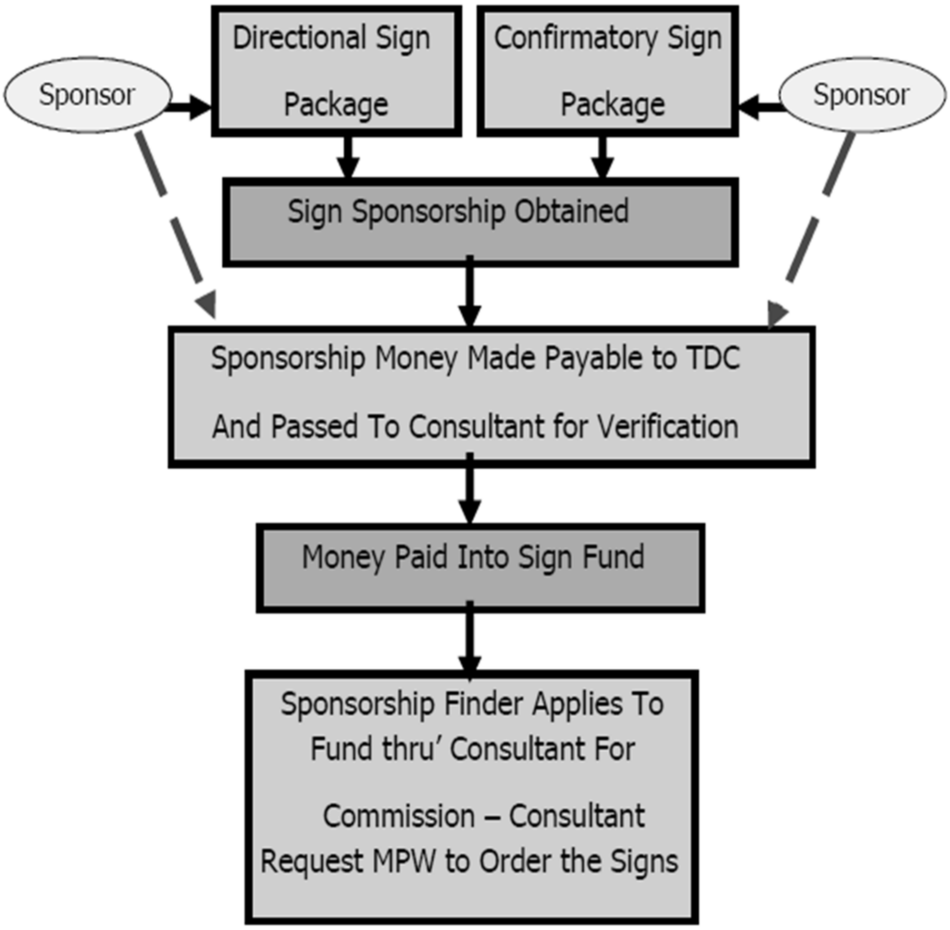


Figure G10. Diagrammatic representation of sponsorship arrangement.

1.1.5 Vehicles

1.1.5.1 Vehicles (All Classes)

Table G3 is an extract from the motor vehicle registration records of MTW. This table and its accompanying chart (see Figure G11) give an indication of vehicle growth during the last 25 years. Between 1986 and 1996, growth in the vehicle population was around 2%. However, between 1997 and 2006, the growth rate was close to a 10% average, reflecting the advent and major impact of the re-conditioned vehicle market on vehicle ownership. The last three years for which statistics are available are co-incidentally the front end of the current economic recession, and the available information shows that the average growth rate for all categories of vehicles was less than 1%, a reflection of the impact of the recession on vehicle purchases.

Table G3. Extract from MTW Registration Records for all classes of vehicles.

Year	Vehicles Registered	Year	Vehicles Registered
1986	46,383	1998	67,417
1987	49,140	1999	72,805
1988	49,213	2000	82,166*
1989	55,814	2001	91,527
1990	53,379	2002	101,440
1991	53,741	2003	103,689
1992	51,500	2004	87,946^
1993	57,301	2005	108,581
1994	54,224	2006	109,529
1995	55,668	2007	122,682
1996	55,558	2008	122,841*
1997	62,913	2009	123,000

Source: Licensing Authority, Ministry of Transport & Works
* Figures pro-rated – actual figures not available
^ Figure not consistent – perhaps reflecting a high percentage of unregistered vehicles that year

While the growth of vehicles on the roads after this recession is not expected to return to the pre-recession value of just under 10%, the sheer volume of traffic especially during peak periods is still a cause for concern. The number of vehicles/head of population is approximately 1:2. Other measures may soon have to be taken to control this growth.

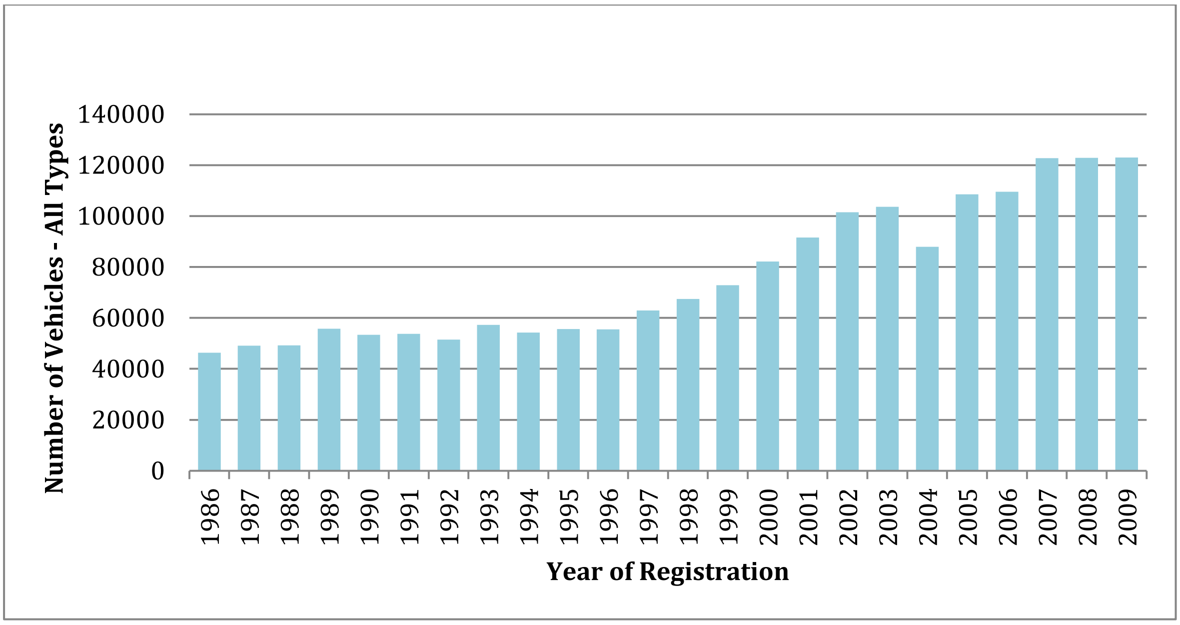


Figure G11. The growth in the number of vehicles (all types) by year (1986-2009).

Park-and-ride is one such measure that has been tested and found to be reasonably successful in the past. Barbados instituted this approach for the 2007 ICC World Cup in 2007 and for subsequent specific national events. Personal vehicles were parked at predetermined locations not too distant from the event location and occupants transported by mass public transport to the activity. Buses travelled at regular intervals between the park and the activity for the convenience of late arrivals to or early departures from the event.

The success of this temporary park-and-ride arrangement does not necessarily mean the success of a more permanent arrangement in which people are asked to park their vehicles on a regular basis for a working day and take public transport to work or to other activities. Much planning and infrastructural works would have to be undertaken to guarantee success.

Other measures that may be adopted include vehicle pooling, higher taxes/duties, direct limits on number of vehicles imported, and legislating and restricting vehicles on the roads. Whatever measures may be adopted, the TMP recommends that some action be taken to control the volume of traffic and the resulting congestion, accidents and fatalities.

The Oistins Urban Centre on Highway 7 deserves special mention here as it presents one of the areas of highest traffic congestion, particularly during the hosting of cultural events such as the Oistins Fish Festival, owing to the limitation of alternative travel routes through the town. During this time, pedestrian and vehicular flows are at their maximum and diversions of traffic are typical. Consideration may therefore be given to the implementation of infrastructural upgrades with the construction of a short section of road from Oistins Hill, passing to the rear of the large parking area and connecting to Highway 7 opposite the bus terminus. This road would alleviate pressure on this section of the artery between Oistins Hill/H7 junction and the temporary Oistins bus terminus (refer Action 8.1-9 in Section 1.1.8.1).

1.1.5.2 Barbados Transport Board (BTB)

The BTB is a state owned and state subsidized agency providing a social service in mass transport. It provides a concessionary service to the Police, scholars, seniors and special needs groups. There is some reimbursement to BTB from Ministries/agencies responsible for some of these special groups. There are no limits on time or number of trips for concessionary and free travel.

Locals and visitors alike can use BTB services once the requisite fare is paid or the appropriate documentation is produced. Locals and visitors are entitled to the same benefits and subject to the same rules and regulations. Payment may be made in Barbadian currency, in which case exact fare is recommended, as there is no mechanism for refund. Payment may also be made with pre-purchased tokens from BTB or from selected locations.

BTB Involvement in Tourism

As a policy, the BTB does not compete with other modes for visitors. Visitors can travel wherever the system is scheduled and there are no special arrangements for visitors either singularly or together on such scheduled services. The BTB will however respond to a request by hotels or other interests through its charter section, as it will for a request from locals. BTB is contracted by some tour operators for visitor travel from seaport, airport and within Barbados.

The BTB has indicated that an increasing number of visitors go on Sunday Scenic Rides and that visitors use its services especially from GAIA and on south and west coasts. In addition, the BTB “jitney” service is popular with locals and visitors alike. Currently the BTB does not keep records of the number of visitors using its services.

Greater inputs into the tourism market can be achieved through improving the connectivity between adjacent communities and town centres. For example, tourism in Speightstown depends on the influx of visitors to the town centre. Through the facilitation of more effective transportation linkages between adjacent tourism accommodation facilities, local neighbourhoods and the town centre, improved visitor numbers and patronage of businesses within this heritage town centre can be realized (refer Action 8.1-6 in Section 1.1.8.1).

BTB Future Plans for Tourism

BTB will shortly introduce a ‘Super Savers’ bus pass that will allow for broader travel within the system and that should be of benefit to visitors for sightseeing. A system of transfer is in place in Bridgetown and Speightstown and will shortly be introduced in Oistins that will be of benefit to tourism.

The BTB is a member of the MTI Transportation Standards Committee and the BTA’s Transport Committee. The Barbados Transport Authority (TA) also interacts with the BTB to discuss issues relevant to transport in general. These are avenues to explore and advance the visitor travel experience. BTB has a dedicated marketing and communications division within which it should embed a dedicated ‘visitor’ section to begin formal research into the use of its services by visitors.

In addition, BTB has access to social media through its website (transportboard.com), and through Twitter and Facebook accounts. These should be used to promote BTB activities, post travel schedules so that they are available to tourist markets, and gain feedback on programmes and plans for visitors and locals. Like in metropolitan countries, BTB should investigate and plan bus transport services for the convenience of visitors at GAIA and the Port.

BTB Collaboration with Other Service Providers

BTB is receptive to the management of mass public transport providers coming together (outside of formal meetings with the Transport Authority) to plan and make recommendations to the Authority regarding improvements in the provision of public transport services. BTB invites other providers to assist with transport either by taking up the slack on route or by assisting with transportation at national events like Crop Over or the Schools' Athletics Meets.

TMP Recommendations for the BTB:

- Expand the 'Jitney' service (refer Action 2.2b-11in Report VI, Section 5.8);
- Extend a free service to over 65 year old visitors and locals;
- Advertise Sunday scenic tours to visitors;
- Involve other transport providers in Sunday scenic tours;
- Use its social media outlets to advertise itself in our tourist markets;
- Research and record usage of its services by visitors for better planning;
- Review its policy of not competing for visitors at airport and seaport;
- Play a lead role in harmonizing the operation of public transport in Barbados.

1.1.5.3 Private Providers of Public Transport

The two major private providers of mass public transport are the Minibus (B), of which there is currently a ceiling of 225, and the Route Taxi (ZRs) that is capped at 320 units. There is also a very small illegal operation among the ZR family generally called 'Pirates'.

There are no statistics available for visitor travel on these modes, but observation has shown that a significant percentage of visitors use these modes on the Highways 1 and 7 routes, with the percentage higher on weekends, particularly Friday nights.

There are no schedules available for minibuses, but they generally operate on the same schedule as, and just ahead of, BTB.

For the most part, ZRs operate en route, but are uncontrolled. There are no schedules and there are also safety and other issues that must be addressed, as these newer modes of public transport are gradually integrated and fully accepted as complementary to BTB in providing mass travel on the island. These issues include, but are not limited to, scheduling, appropriateness of design including standing height, the need for a centre aisle, behavior of driver/operator en route, dress code, regularity of inspections, and training and proper integration into the public transport system.

The TA has been tasked with the legal responsibility (Transport Authority Act 2007-8) to bring a measure of control and discipline to these providers. We suggest that one of the first orders of business is to assist the minibus community, and more so the ZR community, to form functioning representative groups with which the TA can interact. The general feeling is that both the Minibus Association and the Route Taxi Association exist in name only but are not functional.

The TA may also have to perform the function of research as well as being a repository for information on these modes of transport, until proper functioning bodies are established.

Vehicles Involved Directly in the Tourism Industry

Taxis (Z) & Maxi-Taxis (ZM) - Ceilings have been set at 2,000 and 900 vehicles respectively in these categories. These vehicles operate out of the GAIA, the Port, two locations in Bridgetown, several locations along the hotel and tourism belts, and from privately owned commercial businesses. Some hotels and businesses have arrangements with individual taxi operators for the transport of their guests and/or staff. They are available to locals as well.

While it is believed that the number of taxis is more than what is required, once the ceilings are raised, the permits are quickly absorbed by players (or would be players) in the market.

The taxi operations at GAIA and at the Bridgetown Port have already been presented in Sections 1.1.2 and 1.1.3 respectively. The taxi operation in Bridgetown, unlike those of the Port and GAIA, is an open affair in which any operator can vie independently for business. This has its advantages in that operators may have their own customers with whom they have built a relationship. However, this 'competition' could at times be construed as harassment of shoppers in Bridgetown. This could be avoided if a 'first come first served' arrangement could be instituted.

Tour Buses and Coaches (BT) - The current limit is 110. Like the taxis, these operate from the Port and GAIA and also from hotels. These operations have been presented in Sections 1.1.2 and 1.1.3. While the tours from the Port and Airport are controlled by a small number of larger operators, it appears that these larger operators have a limited number of vehicles and sub-contract some of the business to other operators, including the BTB. Tours from hotels are more open, and small operators can make their own arrangement with hoteliers.

Hired Cars (H) - There is no limit on hired cars, of which there are now over 3,000 on the market. These also operate from the two ports of entry and from privately owned business places. The operations at the ports of entry are limited to a few. The main issue is similar to that of the other operations: how can this business be available to the wider body of hired car owners? One way is for owners to go online and make their own arrangements with prospective customers. The real answer may lie with the selection policies adopted by the airport and seaport.

Hired Limousine (HL) and Luxury Taxi (ZL) - The limits of these classes of vehicles are 100 and 50 respectively. The HL vehicles operate mostly from hotels and from the owners' business places and have their own private arrangements with hotels. The issues are quantity and whether this class of vehicle should be metered. The Luxury Taxi is a new class of taxi for the high net worth, high-end visitor on demand/request. They must be in the luxury vehicle range. The issues are whether these also should be metered and whether they should carry a taxi sign.

Novelty Vehicles - There are some novelty means of travel that are a part of our travel mode from time to time and do add some flair to our tourism product. These include the BTB 'Jitney' buses, horse and buggy, motorbike with side passenger car, the donkey cart, the train and the bicycle -buggy arrangement shown in Figure G12.

Figure G12.Novelty vehicle transporting visitors.

The helicopter ride is a form of novelty travel that was provided previously, but has since disappeared. The ITD has indicated that no one has shown an interest in reviving this to date. The BDF has indicated an interest in being a part of the UNESCO World Heritage tours and has already conducted guided tours of its facilities at the Garrison. Perhaps the BDF could adopt and incorporate the ‘helicopter’ business into this activity.

Public Transport Fares

The fare charged on mass public transport (BM, ZR and B) is a single structure one that is already heavily subsidized. At the equivalent of US $1.00 per trip and with transfers being considered as part of the trip, this fare is more than reasonable and need not be altered at this time.

The fare structure for vehicles in the tourist industry (Z and ZM) is a multi-tiered one but is not seasonal. Hotel and restaurant rates reflect seasonality. Some concessions are also given to visitors from CARICOM countries. Perhaps it is time to design the fare structure that reflects seasonality and provides some concessions to visitors from CARICOM.

The hired vehicle owners have some flexibility in charging their clients. Their rates are reflective of the ‘highs’ and ‘lows’ in Barbados. The BT (tour bus) buses have their own private arrangement with those that hire them, but one can be reasonably sure that the fares charged reflect seasonality as well as the locality of the hirer.

There is no scientific base for fares charged in public transport. From time to time, fares are increased based on cost of living index, inflation and similar indices. The TMP recommends that the next National Transport Plan examine the charging structure within the tourism sector and make recommendations for the realistic revamping of the current fare regime.

1.1.6 Standards in Providing Ground Transport Services

BNSI (Barbados National Standards Institute) is the local equivalent of the International Standards Institute (ISI) based in Geneva Switzerland. BNSI develops standards for all sectors with the collaboration of stakeholders in the particular sectors. The Tourism Services standards are developed by a series of various national technical committees.

The national commission on standards in the tourism sector comprises various stakeholders, including representatives from the tourism industry, UWI, MTI, BHTA and BTA; all working with the Caribbean Tourism Organization. Depending on what the standard is for, there is a draw on the resource persons of the particular sector.

For the Transport sector, a draft document detailing standards/guidelines to be followed in providing Transportation Services has been drawn up and has been in circulation since 2009 (Proposed Guidelines for the Operation of Transportation Services in Barbados, August 2009). This draft was developed with the assistance of MTW and is currently awaiting ratification (pers. comm., E. Jordan, Tourism Development Officer, MTI, 2012). This document is fairly comprehensive, dealing with wide ranging and pertinent issues including classification of vehicles, permits, fees and taxes, licensing and registration, identification of vehicle and operator, vehicle maintenance, training, deportment and conduct.

This draft should be discussed, modified if necessary, and adopted as a first stage to regularizing and regulating the transport industry. The document is really a work in progress and should be revisited as the needs arise. This initiative must be aimed at achieving ISO recognition of world-class standards in the provision of transportation services to the tourism industry.

1.1.7 Other Ground Transportation Issues

1.1.7.1 Parking

Parking is not generally an issue in the tourism sector, but the suggested National Transport Review as well as the suggested Traffic Management Review of the urban areas should both treat street-side parking, off-street parking, loading and off-loading and park-and-ride. These reviews should address the implementation of a system of payment for on-street parking, together with a policy that limits parking duration, so that short-term parkers, which would include visitors using hired cars, can have access to street parking in Bridgetown and other shopping/commercial areas.

The quality of parking areas and the layout of parking at some of our older attractions/recreational areas, such as the Animal Flower Cave and Little Bay, should be addressed as these could enhance the appeal of the attractions.

1.1.7.2 Accidents

The RBPF has indicated that there are really very few road accidents involving visitors, and that no separate records are kept of this category of accident (pers. comm., SSgt. Jordan, RBPF, 2012). The MTW Traffic Department has been trained to collect and analyze accident statistics.

It is suggested that, notwithstanding the low level of accidents involving tourists, this category of accidents should be identified and recorded. The research arm of the MTI and the Traffic Department of MTW should collaborate in compiling these statistics.

1.1.7.3 Education & Training

There are many individuals and institutions, too numerous to mention individually, that provide some element of transport services to, and that impact the provision of, transport services to our tourism product. The challenge is to educate and inform them that they provide the best service. Despite our best efforts, there is still too high a level of criticism of some of the services rendered. This is where agencies, e.g. UWI, NISE, BCC and similar institutions, can assist in training persons/agencies involved in providing transport services to be at their best. Government and the industry players/investors must take hold of such opportunities to raise the service level of the transport sector.

We are aware that some of these institutions are already at the forefront of the battle to safeguard our prime economic earner and by extension, the transport sub-sector. BCC is already running courses for taxi and public transport operators. NISE and UWI have also been involved in training of transport personnel.

It is important that stakeholders get this part of our service right. It is our human resource component that has been praised internationally for our success as an emerging nation. It is this same human resource component that will have to sustain the country and take us forward if we are to retain our position as leaders in the Caribbean and indeed the wider world (refer also Report III, Section 1.0). We have little else by way of resources to depend on.

1.1.7.4 Legislation, Regulations, Rules

There are several pieces of legislation and other documentation that impact the provision of transportation services to the tourism industry. Among these are the following:

- Highways Act & Regulations
- Road Traffic Act & Regulations
- Act & Regulations establishing the Barbados Transport Authority
- Highway Code
- Draft Proposed Guidelines for the Operation of Transportation Services in Barbados

The existing laws and regulations are revised and updated from time to time, new legislation is introduced (e.g. the Act establishing the Transport Authority which is a recent piece of legislation) and other documents produced (e.g. the Highway Code and the Transport Standards document); all aimed at keeping Barbados at the cutting edge of providing good value for money in the Transport industry.

The TMP is recommending further modification to existing laws and/or the drafting of new legislation to promote better service to locals and visitors during the period of this TMP and beyond.

For the safety of visitors and for our own protection, especially on our roads, these laws must deal with important issues, including the use of cell phones and gadgets while driving, increased regularity in the inspection of PSVs, mandatory inspection of private vehicles, requirements for operators of PSVs and Special Commercial Vehicles, early warnings to drivers approaching road work zones, illegal racing on our highways (including stunts displayed by some motor cyclists), and vehicle emission and noise levels.

1.1.7.5 Transport, Energy and the Environment

MTW has announced a 'green energy' initiative involving the purchase of metal poles and the replacement wooden poles currently in use. This would mean less purchase of wooden poles and greater contribution to saving trees (pers. comm., F. Thornhill, CTO, MTW and staff, 2012).

The Ministry of the Environment is in the advanced stage of a carbon emission reduction initiative that will continue to affect transportation (pers. comm., R. Ward, Ministry of Environment, 2013). The fuel used in vehicle air-conditioning units as well as the fuel (gas/diesel) that propels vehicles will eventually have to conform to international standards. This may mean retrofitting current vehicles and ensuring that new vehicles meet the new standards accepted and required by the industry.

The move towards alternate sources of energy must also be embraced by Barbados, especially in the tourism sector. The dependence on conventional forms of energy, diesel and gasoline, is fast becoming unsustainable. As the prices of these commodities rise, so will the price of our tourism product. With ample sun and wind resources, alternate sources of energy should be high on Barbados' research calendar (refer also Report II, Sections 1.2.3 and 2.0).

The introduction of electric vehicles, cost permitting, into the Barbados transport sector is also recommended.

1.1.7.6 Transport Charges/Fares in Tourism

Tourism is seasonal with the high season being December to April and the low season from May to November. Hotel charges reflect this reality. Transport charges in the tourism sector should also reflect this. Similarly, hotel rates make concessions for our CARICOM visitors. The transport charges should follow suit. The tourism transport community may require further concessions in the areas of fuel and parts before they agree to seasonal fares.

1.1.8 Strategic Outlook

Given all that has happened in the ground transportation sector since the last National Transport Study was conducted in 1995-1996, there is an urgent need for another up-to-date comprehensive review of all aspects of ground transportation to chart the way forward for the next two decades.

The main institutions and relationships that currently exist in the transport sector are sound. The setup of a Planning Unit in MTW is a forward step. This could be strengthened by the inclusion of transport planning and research capability within the Unit. The establishment of a Transport Authority is also a move in the right direction. This fledgling agency should be provided with the necessary resources to carry out its duties and functions and consideration should be given to include all public transport, including tourism related transport, in the mandate of the Transport Authority.

Both the GAIA and BPI are progressing with Master Plans for further upgrading and expansion at these two important tourism institutions. The implementation of these plans will improve ground transport services at these points of entry/exit, particularly the problems created by traffic congestion at and in the vicinity the airport and seaport.

BTB should re-evaluate its stance on limited involvement within the tourism sector to allow visitors a less expensive option of travel consistent with government declared policy enunciated in the White Paper (Strategic Solutions Inc., 2012, p. 252) to “expand the range and accessibility of different transportation options to visitors.

The metering of taxis/maxi-taxis is long overdue and should be addressed urgently to maintain, and in some cases restore, confidence in the fare system. The policy as it relates to operation of tour businesses at the airport and seaport should be reviewed and a mechanism devolved that would allow for wider and more direct participation by taxi owners/operators and the smaller tour operators in the transport business. It is suggested that any new arrangements should also allow for greater participation of the wider taxi network in opportunities at the airport and seaport. Some flexibility in fares should be considered to reflect seasonality, as is the case in hotel rates.

Highways and roads are generally in fair condition but greater attention must be directed at locations where the majority of our tourism plant is located. Access to existing attractions and scenic areas should be better maintained. It is equally important to undertake improvements to existing signage that would facilitate visitor and local travel throughout Barbados.

Finally, Barbados should continue to pursue its quest to meet international standards in the provision of transport services, and should seek to adopt new technologies that would bring transportation and transport-related services in line with initiatives that promote a green economy.

The following recommendations are provided for the Ground Transportation sector in Barbados. Some are presented as TMP actions in Section 1.1.8.1.

- Undertake a National Transport Review to cover two decades
- Develop a Traffic Management Scheme for Bridgetown, Oistins, Speightstown, Holetown, Warrens
- Staff the TA to execute its functions as mandated in the Transport Authority Act 2007-28
- Strengthen MTW with Transport Planner and Coordinator of Tourism Transport;
- Establish an Institute of Transport Services to improve training / education in the sector
- Implement recommendations of GAIA and BPI master plans regarding transportation
- Upgrade DOH, Highway F
- Permanent solution to road failures in Scotland District
- Connect Cattlewash to GAIA by coastal route
- Implement a road safety programme across the island
- Continue upgrade of major highways
- Special maintenance programme for roads in northern parishes
- Improve roads to parking areas at attractions and sightseeing venues
- Implement other phases of the signage programme
- Take action to control vehicle growth/congestion
- Allow for greater involvement of mass transport in tourism development
- Take more control over operation of minibuses and ZRs to improve safety
- Upgrade ZR units
- Remove restrictions on number of vehicles in tourism
- Record accidents to reflect visitor involvement
- Revise parking in Bridgetown to allow for visitor accommodation
- Implement draft standards developed for transport sector
- Implement greening initiatives in transport
- Move to alternate energy that supports efficient transport
- Examine fares in transport to determine an optimum cost to the user
- Examine and upgrade legislation where required to support the recommendations

Actions that are proposed to enhance ground transportation services within the context of the Barbados Visitor Economy are presented below. These Actions are in support of Strategic Imperative 8 on '**Improve the Transportation of People on Land and Near Shore** and corresponding Strategy 8.1 which states: "*Streamline the movement of people on land and in near-shore waters through enhanced infrastructure, products and services*". Note that Action 8.1-2 pertaining to near shore transportation is presented in Section 1.4.6.

1.1.8.1 Actions Recommended for the Ground Transportation Sector

8.1-1 Create a Traffic and Transport Inter-Agency Group

Description:
Establish a broad-based Traffic and Transport Committee to examine Highway 1 and 7, and to make recommendations for improvement to roads and transport facilities.

Highway 1 and Highway 7 are the two arteries on which the majority of our tourism plant (and in the case of Highway 7, our only airport) is located. The conditions of these two highways, especially Highway 1, are not up to the standards that reflect that they are the corridors to our economic sustainability. Although generally their condition may be described as fair, there are areas in need of closer attention with respect to lighting, sidewalks, signage, pedestrian crossings, public transport passenger facilities, defined road edges, and inconsistent road surface quality.

One policy initiative enunciated by the White Paper (Strategic Solutions Inc., 2012, p. 235) states that Government will:

> *"develop bi-annual Product Assessment tours with the Ministry of Tourism and representatives from the relevant agencies, to monitor and assess the quality of the tourism infrastructure, to ensure that standards are maintained on an ongoing basis and any gaps within the system are identified and documented to be addressed within a specific timeline."*

The general philosophy that should drive the approach to road maintenance is that if tourism is the island's main economic earner, then the condition of the roads, particularly those which provide direct access to the tourism plant, as well as the condition of the plant, should be much better than 'fair', and closer to excellent/pristine.

When visitors and residents traverse these corridors, they should feel a sense of pride at the cleanliness, the provision of all the facilities, the ease of accessing other places from these routes because of appropriate signage, the sense of feeling safe and secure from crime and traffic accidents with the proper road lighting and pedestrian crossings, and the convenience of waiting at bus shelters which are environmentally friendly in design.

All these aspects would be experienced if genuine attempts were made to upgrade the standards of these two highways. It is therefore recommended to consider activation of the stated policy initiative as a matter of urgency.

Expected Outcomes:
- An inventory of items to be improved, including road surfaces, sidewalks, bus lay-bys, road edges, signage, lighting and road markings
- A priority list with estimates
- A work programme and implementation schedule
- Meetings with stakeholders to determine a work schedule

Guidelines for Implementation:
The formation of a committee as follows: MTI to invite MTW, TA, BTB, BTII, BHTA and other

relevant agencies to visit sites and identify improvements to be undertaken. MTW to meet with service providers that would be impacted by improvements
Recommended Implementation Agency: MTW (in collaboration with the BTII)
Priority / Implementation Timeframe: High/Short Term: This is viewed as an **urgent** priority action in the TMP Implementation Plan (refer Report I, Section 5.0)
Target Users: • Hoteliers owners/operators • Guests/Visitors • Locals
Who Benefits: • Locals • Visitors • The Barbados Visitor Economy
Risks: • All team members available at the appointed time to meet/conduct tours • The process be kept going and not allowed to lapse
Estimated Costs: BDS$5,000 per year based on lunch and a stipend to non-government members of committee as appropriate. MTW to provide required transportation.
Source of Funds: Government of Barbados through MTI /BTII
Revenue Generation Potential: Indirect
Further Development Work Required: Nil
Other Considerations: This concept should be extended to other areas of the road network, particularly in the Scotland District and in parts of St. Peter and St. Lucy on roads that lead to sightseeing destinations.

8.1-3 Extend Road Signage Programme

Description:
Design and erect effective directional signs along the newer highways and main roads, and erect 'Places of Interest' signs near and at places of interest to guide tourists and locals across the country.

Some initial work has already been done as part of an initiative to inform visitors who were expected in large numbers for the 2007 Cricket World Cup held in Barbados. The signs erected consist of:

- DIRECTIONAL signs placed strategically along the major highways
- PLACES OF INTEREST signs at and near places of interest to guide visitors to these locations
- INTERPRETIVE signs near and at the locations to inform visitors/locals of the amenities and facilities/services available at the specific locations
- CONFIRMATORY signs that identify districts/villages

The majority of signs in Phases 1 and 1A of this programme were implemented up to 2007 prior to the commencement of Cricket World Cup in the Caribbean. It was intended to move to Phase 2 when the programme was suspended in 2008 due to shortage of funds.

A sample of the different types of signage is illustrated in Figure G14.

Figure G14. Directional sign along ABC Highway (left); Place of Interest sign (middle); Confirmatory sign, indicating the name of a residential area (right).

Expected Outcomes:

- Better signage
- Easier movement of visitors and locals around the island
- Advertising mileage for sponsors

Guidelines for Implementation:

- Initiate Phase 2 of the signage programme that was introduced during the 2007 Cricket World Cup in the Caribbean
- Erect directional signs along the newer highways and main roads
- Erect Places of Interest signs near and at places of interest

Challenges With Implementation:

- Funding
- Sponsorship may not be too forthcoming in the current economic climate
- How to deal with sponsors currently benefiting from the first programme given that time for such sponsorship has long expired

Recommended Implementation Agency:

MTW as custodian of the programme (in collaboration with BTII and TDC)

In Phases 1 and 1A, the Ministry was assisted by:

1. Barbados Tourism Investment Inc. (BTII)
2. Tourism Development Corporation (TDC)
3. Barbados Tourism Authority (BTA)
4. Barbados Hotel & Tourism Authority (BHTA)
5. SPONSORS
6. SPONSORSHIP Seekers
7. Private Sector Consultants who worked with MTW and other stakeholders to develop the framework for the programme and who designed and implemented the programme

It is suggested this successful model be repeated here

Priority / Implementation Timeframe:

High/Short Term: This is viewed as a **sustaining** priority action in the TMP Implementation Plan (refer Report I, Section 5.0)

Target Users:

- All stay-over tourists
- All cruise ship visitors
- Residents

Who Benefits:

The beneficiaries will be residents of Barbados and visitors

Risks:

Lack of funding

Estimated Costs:

A rough estimate would be approximately BDS$1.5 million per year for design and installation of the programme over a 5-year period, giving a total estimated cost for the programme of BDS$7.5 million.

Source of Funds:

- Phases 1 and IA were financed by public/private sector partnering via the following:

  - BTII who paid part of the consultants' fees
  - Ministry of Public Works who erected the signs and sponsored some of the signs
  - Private sector sponsorship such as Cave Shepherd, Financial Institutions and other bodies
  - TDC who injected some funds, kept and administered the funds
  - BTA and BHTA who also sponsored a sizeable portion of the programme

- A similar model is probably feasible

Revenue Generation Potential:

- This initially generated revenue from sponsorship to fund a large portion of the programme. It would perhaps have generated even more funds if it was fully implemented in accordance with design recommendations
- One of the major recommendations not followed was that sponsorship should be for a 3-year period and that the sponsors would have been advertised for this period on the signs. The sponsorship would be renewable. This has not happened, and after more than 5 years, the sponsors' names are still on the signs. This would need correcting in future phases

Further Development Work Required:

- Design of other phases
- Costing of other phases
- Sourcing financing

Other Considerations:

8.1-4 Meter Taxis and Maxi-Taxis

Description:
Purchase and install meters on all Taxis and Maxi-Taxis (not Route Taxis) in Barbados. This is a project that has been suggested for decades and is really necessary to raise visitor and local confidence in the taxi charging system. Although the rates have been publicized in prominent locations, particularly at the seaport and airport, it is felt that there are inconsistencies, and in some cases dishonesty in charging locals and visitors. This doubt could be removed with the installation and proper operation of meters.

Expected Outcomes:

- All taxis and maxi-taxis are metered
- Satisfied users, local and visitors

Guidelines for Implementation:

- Check that the relevant legislation/regulations exist and are appropriate and upgraded as necessary
- Sensitize/educate public about this project
- Determine source of funding
- Advertise for supply and installation of meters
- Select an appropriate agency to purchase and install meters

Challenges With Implementation:

- Resistance from owners/operators
- Cost of purchase and installation of meters
- Maintenance of meters
- Relevance of existing legislation/regulations and the need to upgrade same

Recommended Implementation Agency:

Ministry of Transport and Works through its Transport Authority (in collaboration with GAIA Inc. for taxis that ply for hire there and Barbados Port Inc. for taxis that ply for hire there)

Priority / Implementation Timeframe:

High/Short term: Given the high incidence of complaints/dissatisfaction with this aspect of the taxi service, this action rates very high priority to be implemented as soon as possible

Target Users:

All taxi owners and operators

Who Benefits:

The beneficiaries will be all residents of Barbados and visitors to island. Taxi owners and operators will also benefit from improved confidence in the fairness of the charge system

Risks:

- Obtaining funding
- Need for buy-in from the taxi owners/operators

Estimated Costs:

Not yet known, but assumed at BDS$2,000 per taxi for 3,000 taxis at an estimated cost of BDS$6 million. This estimate is based on the cost of the meter (see Figure G13) from source that is US$350. It is assumed that delivery and installation costs would be a further BDS$1,300.

Figure G13. An example of a taximeter that issues receipts.

Source of Funds:

- No clear source of funds at this time. Could be funded under the MTW annual budget and a public tender awarded for the purchase and installation of these meters to ensure consistency in design operational features
- Could be eligible for funding from IFI or LFI such as TDC or BTII
- May fit very well as part of a specially developed fund for TMP implementation

Revenue Generation Potential:
Funds would be recovered from the sale and installation of meters on individual taxis. Would have a positive impact on revenues as users would increase as a result of confidence in the service. Garages may also opt to import them and retail them to taxi owners/operators

Further Development Work Required:

- Sourcing and costing of meters
- Sensitizing public
- Sourcing financing

Other Considerations:
Some operators/owners of taxis, particularly those operating out of the Bridgetown Port, have indicated objection to metering, as they contend that their services mostly involve organized tour packages rather than point-to-point pickup/drop off. It is suggested that:

- The meters be used to help in determining a fair price for such organized trips
- The meters be turned off on such trips and a developed price structure be used

8.1-5 Develop Bajan Taxi Tours

Description:
There are approximately 3,000 taxis and maxi taxis licensed to operate in Barbados, of which many operate independently. Taxi operators, particularly those who are not part of an active association, may benefit from the creation of an incentive scheme for taxi users that would allow passengers to earn a discount on their taxi fare, based on the number of attractions they wish to visit.

Expected Outcomes:
- Taxis gain increased patronage
- Attractions benefit from increased promotion
- Tour options and locations are clearly presented
- Visitors receive benefits for expanding their tour

Guidelines for Implementation:

Pilot Project:
The Bajan Taxi Tour Programme would be hosted at the Bridgetown Port:

- Informational signboards would be posted in the Cruise Terminal and also at the taxi marshaling area where prospective travelers could select from a series of fixed rate tour options for which discounts would be offered based on the number of attractions visited. A map of Barbados would illustrate the tour locations. Visitors can choose a non-structured tour for which rates would be set according to distance parameters
- The BTA would oversee the structuring of the tour options in association with the Cooperatives, which may be based on themes such as:
    - Sugar and Rum
    - Nature
    - Heritage and Museums
    - Art and Craft
    - Sea and Sun
    - Shopping
    - Food/Culinary
    - Sports
    - True Bajan Tour – Featuring Bajan 'hot-spots' preferred by locals
    - The Cohoblopot – A selection of stops from the best of each category

  Three tour options based on tour length and number of attractions may be presented per category
- The authorized taxi dispatcher at the Port would confirm the selected tour and associated fee with both parties. A written slip would be issued indicating the agreed tour number and the cost
- The Bajan Taxi Tours may be presented as a standard schedule that may be utilized by taxi operators to promote their business

Extended Programme:

- The Bajan Taxi Tours may be presented via the web, e.g. via a new mobile phone application

with links to a central web-based taxi locator, or via existing print media such as the Barbados Pocket Guide
- Additional discounts may be considered for select categories such as regional visitors (with National ID card)

Challenges With Implementation:

- Gaining full participation from taxi operators
- Providing an alternative option should the passengers subsequently digress from the planned schedule after commencing the tour

Recommended Implementation Agency:

Barbados Port Inc. (in collaboration with the BTA and the Bridgetown Port Taxi Co-op)

Priority / Implementation Timeframe:

Medium / Medium-long term

Target Users:

- Barbadians and visitors
- Diaspora
- Taxi operators

Who Benefits:

- Taxi operators
- Attractions
- Visitors
- Domestic tourists

Risks:

- Inadequate participation by visitors or taxi operators
- Non-adherence to fee scales

Estimated Costs:

- Design of tour routes and scheduling: TBD based on number of routes proposed
- Costs for signage production: BDS$20,000

Source of Funds:

Barbados Tourism Authority

Revenue Generation Potential:

- Increased visitor use of taxi services
- Improved ticket sales at attractions and
- Revenue gained at local tour stops

Further Development Work Required:

- Planning of tours and tour options
- Discussions with the Bridgetown Port Taxi Co-op regarding tour rates and discounts

Other Considerations: Linkages with Cruise Tourism, Attractions, Shopping Tourism, Cultural Heritage and Attractions, Culinary, Sports Tourism

8.1-6 Implement a Speightstown Shuttle Service

Description:
Implement a new daily bus shuttle route, the Speightstown Circle, to create a regular transportation linkage between Speightstown and adjacent communities and tourism accommodation facilities (see Figure G15). This service would aid in mitigating the negative impacts on business traffic within the town that was contributed to by the rerouting of the BTB bus service from the Town Centre to the main highway corridor.

Figure G15. Proposed bus shuttle loopfor Speightstown.

Expected Outcomes:
- Improvement in visitor numbers to the Speightstown Town Centre through provision of an efficient transportation option
- Associated improvement of business for entrepreneurs, particularly merchants and vendors, within the Town Centre

Guidelines for Implementation:
- Plan the designated shuttle loop and schedules to coincide with peak user times
- Loop would engage local neighborhoods, tourism resorts, primary business areas and public institutions via Highway 1B, Queen Street, Church Street, and Sand Street. The shuttle would operate from the Speightstown Bus Terminal
- Through a pilot project, the frequency and routing of the service can be rationalized

Challenges With Implementation:

- Achieving 'buy in' from the various stakeholders
- Obtaining the necessary permits could be time consuming, with the slow approval process through several Government agencies.

Recommended Implementation Agency:
Barbados Transport Board, Ministry of Transport and Works

Priority / Implementation Timeframe:
Medium /Medium Term: The route is aimed at stimulating increased pedestrian traffic within the Speightstown core

Target Users:

- All tourists and locals within the ambit of Speightstown.
- Speightstown businesses

Who Benefits:
The beneficiaries will be tourists, residents and Speightstown businesses through increased patronage and associated revenues

Risks:
The major risk is receiving adequate publicity of the new route to generate regular usage of the service and associated revenues to support the continued servicing of the route.

Estimated Costs:

Costs will be dependent on the scheduled hours of operation of the service

Source of Funds:
Bus fares

Revenue Generation Potential:
Would enhance patronage by visitors and locals of the Speightstown 'tourism zone', improving the customer base and corresponding retail and service opportunities

Further Development Work Required:

- Investigation of the primary and most viable service times for the route
- Identification of vehicles and service personnel to service the route
- Scheduling of the route stops and times in association with the BTB

Other Considerations: Linkages with Community Tourism, Shopping Tourism, Silver Market Tourism, Cultural Heritage and Attractions

8.1-7 Improve Access Through the Eastern and Southeastern Areas

Description:
Provide improved access through the eastern and southeastern areas of Barbados by constructing the Cattlewash-Bathsheba-Bath-College Savannah section of the coastal route around Barbados. This would involve the re-construction and upgrading of approximately 10 km of major highway.

Vehicular access to the southern, central, western and northern sections of Barbados has been made a lot easier with the construction and upgrading of major highways to the extent that it is now possible to drive virtually a coastal route from Oistins in the south to Cattlewash in the east via the west and north coasts, or to crisscross the island by a series of major highways. However, travel through the eastern section of Barbados is restricted because the Scotland District area is unstable, resulting in significant land slippage and erosion, especially during the wet season of May to November. As a result, some portions of the major roads through the area are often inaccessible or difficult to traverse.

However, this eastern section is arguably the most picturesque part of the island. It contains the designated National Park and several other attractions and areas where locals and visitors go to recreate; areas such a Harrison's Cave, Welchman Hall Gully and Bathsheba. In addition, the area can boast other economic activities, particularly in the Agriculture, Mining, Construction and Transport sectors.

Except for the Farley Hill to Belleplaine Highway (part of the Duncan O'Neal Highway) and the Belleplaine to Cattlewash Highway (Ermie Bourne Highway), accessibility through the eastern section of Barbados is challenging. This is particularly true for the Cattlewash-Bathsheba-Foster Hall-Bath-Conset Bay road, which is in poor condition, and which is used daily by locals and by visitors going around the island or just sightseeing.

This road would be predominantly a 2-lane, 2-way highway constructed/upgraded to the highest standards given the terrain, soil type and nature of the areas through which it will pass. The design will be such that it will protect the safety of users.

Expected Outcomes:

- Better and quicker access through the Scotland District
- More locals and visitors attracted to the area as a result of improved access
- Better access to airport from east and southeast

Guidelines for Implementation:

- Establish Terms of Reference and specifications
- Hire consultants to develop the project, including Environmental Impact Assessments (EIAs):
    - Review of existing preliminary designs and route location (2014-2015)
    - Detailed designs for Cattlewash to College Savannah (Phase 1) (2014-2015)
    - Seek funding for construction (2015-2016)
    - Construct Cattlewash to Conset Bay section (2016-2017)

Challenges With Implementation:

- Some preliminary designs have been completed but would need to be re-visited
- The routing and designs would have to be carefully done in consultation with all stakeholders
- This road would be constructed partly within the designated eco-sensitive National Park area in the east of the island
- It will be constructed in very unstable soils prone to slippage and erosion, thus construction will have to be of a specialized type
- It will be built through the most picturesque part of the country and so will enhance the area if properly designed and built
- There will be some objection from environmental activists particularly for sections through the National Park
- Will require some private property acquisitions which may be tedious and time consuming
- Will be an expensive undertaking

Recommended Implementation Agency:

Ministry of Transport and Works

Priority / Implementation Timeframe:

High/Medium Term: Recognizing the economic slow period and the global forecast for the recession to be prolonged (3 to 5 years); it is unlikely that this upgrade would be undertaken within the next 3 years.

Target Users:

- Stay-over tourists
- Cruise ship visitors
- Residents
- All markets

Who Benefits:

The beneficiaries will be all residents of Barbados and visitors

Risks:

- This is a high cost project
- International funding would have to be justified on the basis of costs and benefits
- The likelihood of not being able to obtain funds for implementation
- Potential for impact to natural habitats in the area, therefore careful consideration would have to be given to minimize this risk (would have to be informed by the EIA and recommendations followed)
- The implementation time is lengthy

Estimated Costs:

- Construction/upgrading costs are in the vicinity of BDS $30,000,000
- The cost of property acquisitions and other indirect costs such as financing costs is assumed roughly at 20% of construction costs or BDS$6,000,000

- Overall cost approximately BDS$40,000,000

Source Of Funds:

- No clear source of funds at this time.
- Could be eligible for funding from IFIs
- May fit very well as part of a specially developed fund for TMP implementation

Revenue Generation Potential:

Indirect

Further Development Work Required:

- Conduct an Environmental Impact Assessment (EIA)
- Review preliminary designs
- Undertake detailed designs and costing
- Identify source of financing

Other Considerations: Linkages with Environmental Management

8.1-8 Construct College Savannah to GAIA Coastal Route

Description:
The construction of this 12 km length of super-highway would complete the coastal/semi-coastal route around Barbados. The upgrading of the existing road at Cattlewash-Foster Hall-Martin's Bay-Bath-Conset Bay-College Savannah is recommended, which is absolutely critical to providing improved access for residents and visitors through this environmentally sensitive area.

This proposed route from College Savannah to GAIA is through more stable lands and is not as critical as the Cattlewash to College Savannah section as alternate routes exist. This however is a proposal that was previously considered by MTW, and some initial planning has been completed.

Expected Outcomes:

- Completion of coastal/semi-coastal route around the island
- Improved access between GAIA and the rest of the country
- Area opened to more commercial and other development potential

Guidelines for Implementation:

- Select consultants to review the preliminary plans already prepared
- Undertake an Environmental Impact Assessment of the road through the area
- Undertake final designs
- Seek financing
- Determine implementation programme

Challenges With Implementation:

- Objection from environmentalists and property owners affected
- High cost project
- Financing may be difficult to procure if project is not economically feasible

Recommended Implementation Agency:

Ministry of Transport and Works

Priority / Implementation Timeframe:

Medium/Medium-Long Term:

- Review existing preliminary designs and route location (2014-2015)
- Detailed designs for College Savannah to GAIA (Phase 2) (2015-2016)
- Funding for Phase 2 (2016-2017)
- Construct Conset Bay to Airport section (2018-2020)
- The project would be completed within the 10 year cycle of the TMP

Target Users:

All visitors and locals; specifically persons resident and working in areas serviced by this route

Who Benefits:

All residents and visitors

Risks:

The implementation time is long; priority is not high

Estimated Costs:

The 12 km section from College Savannah to the Airport is in more construction friendly terrain, and can be completed at a cost of BDS$40 million approximately

Source of Funds:

IFIs, Government of Barbados(GOB)

Revenue Generation Potential:

Indirect

Further Development Work Required:

Engineering designs, Stakeholders' meetings and briefings, etcetera.

Other Considerations: Linkages with Nature Tourism

8.1-9 Improve Oistins Centre Circulation Patterns

Description:
The Oistins Town Centre continues to be snarled by heavy traffic congestion during the peak hours of the weekly Oistins Fish Fry and the annual Oistins Fish Festival. Efforts can be made to ameliorate the current traffic conditions during these peak periods through rationalization of the existing traffic patterns (see Figure G16). The original Oistins Bypass Reconnaissance Study (1982) proposed a route from Hythe Gardens to the west of Oistins and Thornbury Hill to the east. However, current needs within the immediate Town Centre would benefit significantly from focused planning at an intermediate scale.

Pedestrian flows can also be improved through low-cost infrastructural solutions. "There was hardly room to walk or drive as thousands descended on Barbados' smallest city yesterday for the 37th annual LIME Oistins Fish Festival. The massive crowd was too much for the sidewalk and spilled onto the street, causing traffic, made up mostly of public transport vehicles, as most other traffic had been diverted, to weave its way carefully along the road" (Atwell, 2013).

Figure G16. Existing traffic patterns overlaid with proposed pedestrian beacons and roundabout.

Expected Outcomes:

- Reduction of traffic congestion during peak traffic hours in Oistins
- Improvement of pedestrian flows
- Improvement of the heritage character of the town

Guidelines for Implementation:

Vehicular Circulation

- Assess the existing traffic patterns around businesses within the Oistins Town Centre to develop a traffic management strategy that would minimize the number of right-hand turns onto Oistins main road. The strategy would consider the implementation of a roundabout as illustrated in Figure G16. The proposed roundabout would also facilitate the peak flow of traffic to the main Oistins parking area along with clearer definition of the access road to Oistins Hill.
- Vehicles exiting from businesses north of Highway 7 may be directed to traverse the roundabout in lieu of making right turns onto the highway. Traffic flows through the public carpark would also be rationalized.
- Assess the feasibility of implementing a regular park-and-ride between the Oistins Civic Centre and Southern Plaza parking areas in partnership with private stakeholders. The park-and-ride would function during peak hours of the weekly Fish Fry and annual Fish Festival.

Pedestrian Circulation

- Install flashing beacons or lighted poles at pedestrian crossings (see Figure G17).
- Beacon locations can be reassessed in the context of current pedestrian traffic flows to the Bay Garden central area.
- Add vintage-styled bollard and chain systems to guide pedestrian traffic within proximity to preferred crossings whilst improving the heritage character of the historic urban space (see Figure G17). The aim is to minimize indiscriminate road-crossing and resultant disruption of vehicular traffic within close range of the Oistins Bay Garden.

Heritage Transportation and Park-and-ride

In order to reduce incoming traffic during the Oistins Fish Festival, transportation via the heritage Jitney bus may be offered from Bridgetown to Oistins. Associated promotions can be enacted, e.g. admission to the heritage bus can be via showing of a “two way pass” which could be Oistins Fish Festival commemorative stamps (see figure G18).

Figure G17. Pedestrian circulation options:flashing beacons (left);vintage and heritage-style bollard systems (middle and right).

Figure G18. Miniature replica of Jitney Bus promoting the Oistins Fish Festival.

Challenges With Implementation:
Establishment of comprehensive traffic solutions to resolve the needs of multiple stakeholders, including residential, commercial and civic city centre users

Recommended Implementation Agency:
Ministry of Transport and Works(in collaboration with BTII)

Priority / Implementation Timeframe:
Medium /Medium-Long term: Improvement of the traffic flows within the Oistins Town Centre will enhance the local and visitor experience in the area

Target Users:
All tourists and locals accessing the Oistins Town Centre during peak hours of the weekly Fish Fry and annual Fish Festival

Who Benefits:
- Visitors and locals
- Persons engaging in commercial activity within the Oistins town centre
- Oistins residents

Risks:
Incomplete implementation of a comprehensive traffic management strategy can compromise the project

Estimated Costs:
Illuminated zebra crossing poles - estimated at BDS$60,000 per location
Further costs will be dependent upon the extent of road works required

Source of Funds:
MTW, BTII

Revenue Generation Potential:
Indirect revenues through an improved local and visitor experience

Further Development Work Required:

- Review of existing traffic patterns and management systems
- Rationalization of routes
- Implementation of traffic plans and infrastructural solutions

Other Considerations: Linkages with Community Tourism, Tourism Awareness, Cultural and Heritage Attractions

8.1-10 Develop an Incentives Programme for Taxis

Description:

Part 1 - For the Taxi Operator: To encourage taxi drivers to promote local stores and attractions, and to transport visitors to attractions as opposed to beach locations or other non-revenue generating sites alone.

Part 2 - For the Taxi User: The registration of taxi operators as individuals or companies on a collective website. Operators would be rated on a 5-star scale by their users, and thereby draw more customers through commitment to service excellence.

Part 3 - For the Taxi Operator: Improvements in service excellence within this service sector would be facilitated through the proposed National Tourism Host Programme (NTHP) training modules.

Expected Outcomes:

Part 1

- Taxis benefit from incentives for promoting visits to attractions
- Increased visitor numbers to local attractions through taxi trips and thereby increased revenues for the attraction

Part 2

- Visitors would be apprised of rates, service, and standards of operators
- Taxi operators would gain approval ratings that could be built over time to gain recognition of excellent service

Part 3

- Taxi operators would benefit from training in tourism quality standards toward generating greater customer satisfaction

Guidelines for Implementation:

- **Part 1** - For every visit that is made by a taxi operator to a local store or attraction participating in the incentives programme, individual stores or attractions would issue a chit or stamp valued at BDS$1 or $2 as determined by the service provider/vendor. Operator numbers would be noted on the issued chit or stamp. Taxi operators would be eligible to redeem their chits at a pre-set level/value for cash, sales coupons, or tickets to the attraction (which may be stipulated for off-peak days only) as determined by the vendor. The operator may then choose to offer the attraction ticket or sales coupon as an incentive to a visitor for an island tour, or any other transportation promotional package defined by the individual operator.

Standardized chits would be made available by the BTA. Partnering attractions would be interviewed quarterly on level of use of the programme in order that its efficacy may be determined.

- **Part 2**–The incentives programme for users would constitute a site where visitors can view and select from a range of taxi operators according to ratings posted by individuals or hotels. Only one rating submission would be allowed per email address in order to minimize misuse of the rating system. The total number of persons contributing to the overall taxi rating would also be displayed on the website. Taxi operators may opt to have their ratings reset or not shown. Taxis could also be selected based on a number of different criteria, for example:

    - Tours available
    - National Tourism Host Programme Certification
    - 24 hour service availability
    - Number of passengers

  The incentives programme for taxi users could be facilitated through a linkage with the BTA website (www.visitbarbados.org) whereby a "Taxi Locator" section could be included under the existing "Plan Your Trip" category.

- **Part 3**– The Incentives Programme for taxi service excellence: this programme should be part of the NTHP development.

- The Incentives Programme for authorized taxis would feature a web application identifying those providers who are licensed to operate in locations such as GAIA and the Bridgetown Port, in addition to providing appropriate rates and charges for journeys to and from given destinations.

Challenges With Implementation:

- Registering programme partners from attractions and taxi operators
- Management of the Incentives Programme website

Recommended Implementation Agency:

Barbados Tourism Authority

Priority / Implementation Timeframe:

Medium/Medium-Long Term

Target Users:

- Barbadians and visitors using taxis

- Taxi operators

Who Benefits:

- Attractions
- Taxi operators

Risks:

- Low participation by attractions or taxi operators
- Participating attractions not administering the programme adequately

Estimated Costs:

- To be determined based on the number of programme partners indicating interest. Costs would involve production of chits and quarterly monitoring to evaluate the programme
- Part 2- Updates to the BTA website to include the "Taxi Locator" would need to be assessed

Source of Funds:

Attractions where applicable for Part 1 of the programme, if a commission system is preferred

Revenue Generation Potential:

- Part 1 - Improved ticket sales at attractions
- Part 2 - Broader distribution of taxi commissions and visitors receiving potential benefits from offers of tickets to attractions from taxi operators

Further Development Work Required:

- Establishment of the incentives programme chit value
- Registration of partners - taxis and attractions
- Design of web links and digital information presentation

Other Considerations: Extending Part 1 of the programme to shopping centres or participating stores; linkages with Cultural Heritage and Attractions, Shopping Tourism

1.2 Airlift

Summary

Sufficient airlift capacity is imperative to the success of the Barbados tourism industry. For many years airlift capacity in Barbados, and in other Caribbean countries, has been a major unresolved issue which has garnered much attention. The country is totally dependent on the decisions made by airlines relative to the extent of airlift they will provide. The result has been the implementation of business practices that may not have been the most effective, for example:

1. Subsidies paid directly to the airlines in the form of a lump sum and/or at per passenger occupancy levy
2. Governments investing directly as owners of airlines.

This airlift analysis is not intended to be a comprehensive assessment of the airline industry in Barbados. Rather, it is intended to provide an overview relative to the Barbados tourism sector and recommend strategies and action that would have a positive impact on the Barbados Visitor Economy.

Trends

Despite an overall improvement since the recent global recession, Caribbean countries remain hard pressed to recover, especially those like Barbados that rely very heavily on the British market, since the UK's travelling populations are deterred by both their ailing economy and the onerous Air Passenger Duty (APD). The increase in this duty made it the world's highest aviation tax, which will cut deeply into project aviation profit margins (Skål International, 2013). Skål, whose 18,000 members represent the largest organization covering all sectors in the travel and tourism industries, views undue interference from governments introducing '*ad-hoc*' regulations and localized taxes as, at best, revenue gathering, and at worst, major impediments to the aviation industry.

Importantly, the decision by the Chancellor on March 19, 2014 to reduce APD and make changes to the banding system was supported by the UK Travel Association (ABTA). This is to be achieved by moving all long haul flights into Band B of APD. It is expected that this would eventually boost travel and tourism as well as promote greater linkages with the UK market (abta.com).

The current 10-Point Tourism Plan for Barbados includes proposals for Government and the private sector to provide a credit voucher equivalent to the APD to British tourists who book at least 2 weeks at participating hotels.

While UK markets are likely to remain depressed for several Caribbean countries, including Barbados, US markets are expected to perform well, with US arrivals to the region increasing 4.1% in 2012. Canadian arrivals to the Caribbean have continued to increase over the five year period 2008 to 2012, going up 5.9% in 2012 over 2011. Also, Canadian markets showed no evidence of falling average expenditures, relative to price-sensitive US markets. Caribbean travel to the region has also increased by 3% in 2012. The Caribbean Tourism Organization (CTO) is optimistic about tourism to the Caribbean, due to positive signs of growth after the down years. Their research shows that US and Canadian markets are the key in this growth in visitor arrival numbers.

Emerging Markets

The BRIC countries offer new opportunities. However, establishing a relationship with these countries will not be easy, because of the poor transport links and the reliance on traditional markets. In the short to medium term, it is not likely that they will come close to the numbers realized from the traditional markets. However, some of these markets, as identified in the markets report, should be pursued because of their importance in the medium to long-term. As an example, it is expected that within the next year or two, there will be over 100 million people traveling internationally from China. This is not a market that should be overlooked, because there are already close diplomatic ties between Barbados and China (ETurbo News, 2013, Jul 12a & 12b).

One of the fastest growing aviation markets in the world is South America. This market is experiencing a period of unprecedented growth, and saw scheduled flights to and from the region increase by 6.1% in 2012. Much of this growth is underpinned by the strong economic growth experienced in the last few years in the region, particularly Brazil which saw GDP growth peak at 7.5% in 2010. In 2011, Brazil became the sixth-largest economy in the world. Other countries in South America such as Chile, Argentina and Colombia have also experienced strong growth over the last decade – averaging at 4% each year.

The Brazilian aviation industry overall has experienced a significant capacity growth of 39% over the last five years, driven mainly by the introduction of low cost carriers (LCCs) into the region. The Air Transport Licensing Authority issued a license to VRG Linhas Aereas (GOL) in June 2010 for scheduled services between Barbados and Brazil (Sao Paulo). However, if Barbados is to grow and maintain this market, it will be necessary that the tourism sector providers, including government, be very sensitive to the needs and preferences of this market. It cannot be assumed that the Latin American market will be satisfied with the same types of experiences and levels of service as is provided to the traditional markets. To that end, this Tourism Master Plan recommends strategies and actions required to better serve and attract the new emerging markets (see Section 1.2.6).

The Aviation Industry

The recession of 2008-2009 was a huge blow to the global aviation industry, which suffered almost $10 billion in losses in 2009. But the industry, generally, has since improved its performance, at least in terms of passenger volumes. LCCs have generally reported higher levels of profitability.

The importance of this to Barbados is that governments that get involved in the airline industry typically invest in a business that will require ongoing subsidies. Further, the scale of operation that Caribbean governments can afford, even under joint ventures, is small and thus more difficult to operate at a profitable level.

The rise of low cost airlines has been significant over the past decade, but has been largely limited to traditional markets. The highest concentration of LCC traffic is in Europe (38% of total air travel in 2012, but 52% in the UK). In markets where air travel is growing most strongly, LCCs' share of overall air travel is quite modest, except for Latin America where LCCs' share of air travel is 25%.

In Latin America, the Gol-Varig acquisition triggered a significant structural change in capacity, and that change continues today, with scheduled seat capacity within the Latin American region continuing to shift towards LCCs. In 2012, LCCs achieved a market share of 31% of capacity within the region, up from 30% the previous year.

LCCs in the Caribbean have also seen growth in market share, reaching 21% in 2012. This increase of 7 percentage points has been driven by LCCs growing at an average annual rate of 25% over the last decade, with carriers such as JetBlue and Spirit expanding operations and capacity to the region. Although currently lower in numbers, the LCCs are clearly gaining tremendous ground in the Caribbean, versus mainline/legacy carriers.

In the Caribbean, LCC growth is predicted to continue to grow, as carriers such as Southwest open new routes with their acquisition of AirTran, and the Latin American carriers increase their presence in the region (OAG, 2012, Feb).

Air Transport Services and Safety Status

This topic is very relevant to Barbados, since at this time it does not have its category 1 status.

A World Bank study examined air transport in the Caribbean, options to improve services, and the sector overall (World Bank, 2006). The report was intended to assist the countries of the Organization of Eastern Caribbean States (OECS), particularly those countries which have ownership interests in airlines, including Barbados.

In addition, the World Bank held a stakeholder symposium in Barbados, with representatives of government, airports, airlines, and regional organizations of relevance. That symposium notably confirmed the strategic importance of:

- sustaining effective regional services
- making foreign-based airlines want to fly to the Caribbean
- making regionally-based airlines viable

The recommendations, in summary, are:

1. **Caribbean nations are advised to adopt a fully unrestrictive policy towards air services** provided that:

    (i) local airlines have a right to compete, with the “community of interest” principle applying,

    (ii) adequate arrangements are put in place to ensure fair competition. In this regard, negotiated “open skies” style bilateral agreements should be complemented by the CARICOM multilateral agreement to open new competitive opportunities for the provision of regional air services. Barbados is party to the Multilateral Agreement Concerning the Operation of Air Services within the Caribbean Community. The Agreement entered into force on November 17, 1998, and seeks to create an air transport regulatory framework among CARICOM states that would provide for a more liberal and transparent exchange of intra-community route rights by CARICOM Governments for airlines owned and controlled by CARICOM nationals. This Agreement is currently under revision. Areas of consideration include the definition of an essential air service and provisions regarding public service obligations and subsidies.

2. **There are few cases where the public sector has been able to run an airline efficiently** and profitably. *Caribbean nations with ownership interests in regionally based airlines would be advised to adopt clear and appropriate policies and to take necessary actions to allow such airlines to compete, to become profitable and earn appropriate returns or else go out of business. Open-ended, non-transparent and unpredictable government support for these airlines should not continue*.

3. **Continuity of inter-island air services** - especially in the Eastern Caribbean - in a liberalized market is a legitimate concern. *Caribbean nations would be advised to adopt appropriate policies in regard to public service obligation which would underpin, for example, the award of subsidies to airlines for selected routes and services on the basis of a competitive process - that is to ensure "competition* ***for*** *the market " where "competition* ***in*** *the market " cannot be sustained*.

4. **Effective policy and regulatory capacity is required**, whether or not there is a liberal environment for providing air transport services.

Category 1 status confers a range of benefits to the countries concerned, in addition to the likely effect of increasing marketability through a safety "seal of approval", this including the opportunity to Code Share with US Airlines. One such benefit is to allow the airlines of that particular country to be eligible to fly into the USA, which may be quite an important consideration when countries assess the benefit of entering into an "open skies" agreement.

To become a more credible player in the global aviation scene, Barbados needs to obtain Category 1 status for its airport.

Airlines Serving Barbados

The following airlines serve Grantley Adams International Airport (GAIA):

Air Canada American Airlines/US Airways British Airways (UK) Caribbean Airlines Condor JetBlue	LIAT Thomas Cook Virgin Atlantic Airways VRG Linhas Aereas (GOL) WestJet

Stakeholder Perspective

Stakeholder consultations related to the White Paper development (Strategic Solutions Inc., 2012) and related to the TMP, gave rise to some significant areas for improvement of the Barbados airline product that may be achieved with public-private sector partnership commitment, and minimal financial resources. Highlights of these observations related to *Airlift and negotiations with airlines* include:

- Regional airline service improvement required
- Air service from the USA and UK generally good
- Air service reduction from Puerto Rico
- Air service from Canada is a challenging flight time
- Need to establish a Social Partnership representative of the private and public sectors
- Airlift from Brazil was established without strong input from the business sector, missing produce and other cargo items

- LIAT has changed their baggage policy
- AA and BA curtailed interline agreements
- Airline flights from Dallas arrive late in the day, so customer essentially loses a vacation day
- GOL flights operate well, however the personnel is difficult to work with
- Cultural difference in Barbados is a challenge for Latin American tourists to Barbados
- Boston flight is a challenge for Barbados because the flight is very expensive to operate because Boston is not a hub
- Airline subsidy agreements should end in a year
- Decline in arrivals from the region both into Barbados and outbound tourists
- Airfare is a big issue in determining the destination, for visitors. Some say it is the cost of living in the island that is the problem; others say it is the airfare. But the overall cost is considered high
- Focus on enticing airlines to increase their flights from Europe, due to the potential market there
- Greater diversification of the tourism product needs to be communicated to airlines, for promotion, for example, to GOL airlines

A number of stakeholders have expressed interest in Barbados establishing a national/regional carrier, with the objective of becoming a primary airlift hub.

Airport and Air Service Trends

An industry report identifies changing traveler attitudes to airline mobile services, and highlights the specific, emerging mobile technologies that are predicted to revolutionize each stage of the travel experience in the future (Travel Tech Consulting, 2011). The report found that:

- Travelers are beginning to expect and to adopt mobile services, including travel apps across their entire journey: from improving the airport experience, to booking and servicing, to checking in for their flight, and boarding pass issuance
- Asian and North American carriers have the greatest mobile functionality today
- Implementing location-based services, payments and push notifications are priorities for airlines

A study was commissioned to explore the trends shaping the future of travel, and was focused on the challenges and opportunities facing airlines and agents. The report looked at potential new revenue opportunities and drivers of profitability, new models driving future growth and changing traveler tastes and preferences (Amadeus Oxford Economics, 2010). Findings are important business intelligence (BI) for airlines and airports and the industry in general and include:

1. Ancillary services offer new opportunities but they may not be the silver bullet to revenue growth that many expect.

2. Airlines and agents must explore new models that take a more comprehensive view of the total travel experience.

3. Traditional cabin classes likely to be replaced by “virtual classes”, as individual traveler preferences create a personalized experience.

4. Customer services will become more mobile and social.

5. Social media is rising in importance and receiving more attention from airlines.

6. Better business intelligence will improve the passenger experience.

Grantley Adams International Airport

The Grantley Adams International Airport (GAIA) is the 9th busiest airport in the Caribbean, and has direct services to the US, Canada, South America, and Europe. It is a major gateway to the Eastern Caribbean, and a second hub for LIAT. It is also headquarters of the charter carrier Executive Air Limited.

GAIA Inc. has commissioned a master plan for the airport (Jacobs Consultancy Canada Inc., 2011). Some of its many findings, from stakeholder consultations, include:

- increase air sea transfer capacity
- enlarge regional flight areas
- increase inbound bag delivery processing capacity
- have more delayed baggage storage areas
- redevelop bag makeup area
- optimize transfer baggage/transfer passenger processes
- eliminate cross flows/co-mingling of inbound/outbound traffic
- assure washrooms and concessions meet health requirements
- enlarge the tower cab
- establish timing, policy and approach to loading bridges
- need to examine customs hours of operations and lack of service focus.

Also identified in the 2011 study was a need for considerable improvements related to the ***departure*** experience, reinforced by the White Paper and TMP consultations.

The White Paper and the TMP consultation processes also identified considerable concern about the ***welcome***, processing, and ease of arrival of visitors.

Actions Recommended to Enhance Airlift Capacity

In consideration of the above, strategies and actions are recommended as part of this Tourism Master Plan for Barbados. They are not intended to fully repeat or replace the many findings of the studies and results reported in this section. The findings as reported need to be independently assessed, and action plans developed and implemented to address the identified areas of concern. Many of the potential implementation measures are the responsibility of the airlines, or can be achieved in partnership with GAIA.

Actions recommended to enhance Airlift capacity are summarised below and more fully described in Section 1.2.6. These Actions are in support of Strategic Imperative 4 on '**Develop Airlift Capacity**' and corresponding Strategy 4.1 which states: "*Increase airlift capacity from traditional source markets and new origin markets, and improve the visitor experience at the Grantley Adams International Airport*".

4.1-1 Obtain Category 1 Status for GAIA: Obtain Category 1 Status under the International Air Safety Assessment programme by achieving all requirements for obtaining the status (for example: enhance customer service, update training for Security, Immigration and Customs). Complete the "open skies" agreement with the USA.

4.1-2 Construct Air Bridges at GAIA: Air bridges at GAIA would make the loading and unloading for passengers more pleasant and consistent with major international airports throughout the world.

4.1-3 Develop Barbados as a Primary Airlift Regional Hub: Develop a strategy at the regional level which will encourage sustained expansion of regional airlift tourism in the area with Barbados as its primary hub. This should include the formation of a Regional Airline Association, and promoting further development of air transport agreements with CARICOM neighbors.

4.1-4 Establish a Regional Carrier: Encourage the development of a new or existing airline which designates Barbados as its hub, and which becomes designated as the national carrier of the country. This involves a commitment from Government and private sector stakeholders to implement a partnership with an airline that will designate Barbados as its primary hub.

4.1-5 Improve the Meet and Greet at GAIA: Improve the “meet and greet” at the airport so that passengers are welcomed in a warm, friendly Barbados atmosphere. This can be achieved through an increase in the number of officers at busy times, live Barbados music in the Arrivals Hall, colorful murals, and a pleasant welcome.

1.2.1 Caribbean Markets

1.2.1.1 Travel Markets and Trends

While the global travel industry has steadily grown since 1995, the recession of 2008/2009 was a tremendous setback. However, since then, general tourism markets have grown. Throughout the Caribbean they grew 5.4% in 2012, receiving the largest number of stay-over tourists in 5 years. Europe however, remains sluggish and there are lingering economic concerns.

Despite the overall improvement, Caribbean countries remain hard pressed to recover, especially those like Barbados that rely very heavily on the British market, since the UK’s travelling populations are deterred by both their ailing economy and the onerous Air Passenger Duty (APD). The APD is a tax imposed by the UK government on all passengers flying from the UK. Although a number of countries impose a similar tax, the UK’s tax is substantially higher – amounting to hundreds of pounds for long haul trips and the increase in this duty made it the world’s highest aviation tax, which will cut deeply into project aviation profit margins (Skål International, 2013). Skål, whose 18,000 members represent the largest organization covering all sectors in the travel and tourism industries, supports the aviation industry in its move to continue to be one of the safest, most efficient and environmentally sound industries in the world. It views undue interference from governments introducing ad-hoc regulations and localized taxes as, at best, revenue gathering, and at worst, major impediments to the aviation industry in achieving these goals.

Airline industry evidence, particularly for long haul destinations, indicates the APD is having a detrimental effect on travel and tourism around the world. The WTTC commissioned Oxford Economics to assess the impact of the tax on the UK economy if this tax were abolished, and found it would result in billions of pounds of increased GDP and creation of almost 100,000 jobs (WTTC, 2012). Similarly, a group of airlines commissioned PwC (PricewaterhouseCoopers) to provide an economic assessment of the role of APD in the UK economy. The key finding is that the abolishment of the APD could provide an initial short-term boost to the UK GDP in the first year, which would raise the level of UK economic output permanently. They expected the economy to be around 16 billion pounds larger in two years than it would be under the current APD regime (PwC, 2013). The current 10-Point Tourism Plan for Barbados includes proposals for Government and the private sector to provide a credit voucher equivalent to the APD redeemable to British tourists who book at least 2 weeks at participating hotels. One view of this is that this proposal amounts to a substitution of Barbados paying UK's regressive taxes. It is better to continue the lobby to have the APD removed, reduced, or its basis of calculation changed, and to continue to demonstrate to the UK government that the APD is also very detrimental to their own economy.

Importantly, the decision by the Chancellor on March 19, 2014 to reduce APD and make changes to the banding system was supported by the UK Travel Association (ABTA). This is to be achieved by moving all long haul flights into Band B of APD. It is expected that this would eventually boost travel and tourism as well as promote greater linkages with the UK market (abta.com).

UK markets are likely to remain depressed for several Caribbean countries, including and particularly Barbados; in fact, UK stay-over visitors dropped from 1.1 million in 2011, to 1 million in 2012, a drop of 10% in a year (CTO, 2013). Exacerbating this is the fact that cruise tourism has also been flat region-wide for some years, since a number of cruise markets use Barbados as a home port for flights.

By contrast, US markets are expected to perform well, with US arrivals to the region increasing 4.1% in 2012, although US markets are very price conscious. Canadian arrivals to the Caribbean have been most buoyant, and have continued to increase over the 5 year period 2008 to 2012, going up 5.9% in 2012 over 2011. Also important, Canadian markets show no evidence of falling average expenditures.

Travel by Caribbean residents within the region increased 3% in 2012 over 2011, indicating that intra-Caribbean visitation is sluggish. Nevertheless, this modest improvement was not evident in the Eastern Caribbean, with a decline in intra-Caribbean traffic shown in many destinations.

In terms of future outlook, the encouraging sign for the Caribbean is that visitor spending increased 3.6% in 2012 over 2011, the 3rd successive year of increased expenditures. Besides seeing increased expenditures to pre-recession levels, the CTO is optimistic about tourism to the Caribbean, due to positive signs of growth after the down years. Their research also shows that US and Canadian markets are key in this growth in visitor arrival numbers, and the CTO expects traffic to increase by another 4% or 5% over the next year (CTO, 2013).

There have been some encouraging signs for Barbados specifically. For example, the European travel company TUI, operates direct charter flights every 2 weeks from Germany, beginning in November 2013 (Travel Daily Media, 2013). This gives Barbados two routes to Germany (adding Hamburg to the current Frankfurt flight). This is the first long haul flight from Hamburg to the Caribbean or Mexico, and seems very promising, as Germans are high spenders outside their country. It could also fit will with a cruise and stay programme. It is to be noted however, that TUI has indicated that it proposes to terminate its services in 2014 due to non-profitability of the route.

In terms of general market trends, some trends continue to be relevant to the aviation industry (Amadeus Oxford Economics, 2010a). These include:

- ***Demographic changes will alter Western travel:*** Demographic changes and health advances will mean more travelers with more free time, who travel for longer periods and who are still able to incorporate a variety of travel experience. These new travellers will present new opportunities for airlines and agents. This is summarised as: "*richer, older and going somewhere*".

- ***Business travel will recover from the recent recession, but business class may face changes:*** videoconferencing is expected to supplement rather than supplant business travel. This is due to industry growth, plus the continuing advantages of face-to-face contact, particularly for initial meetings. US analysis suggests that for every dollar invested in business travel, companies realise $12.50 in incremental revenue. Business class is most likely to survive and thrive, but classes in general are likely to become increasingly fragmented.

- ***Emerging nations' travel habits remain the great unknown***: Despite research and macroeconomic forecasts indicating broad trends, Oxford Economics believes emerging nations to be of importance, but feels there is uncertainty about where these citizens may travel to, or how their tastes may differ from Western travellers. The demographic trends associated with Western travellers may be less relevant when applied to the emerging markets.

1.2.1.2 Emerging Markets

The BRIC Countries (principally Brazil, Russia, India, and China) contrast strongly with Western economies, in that they offer new opportunities. However, cementing a relationship with such economies will not be easy, because of the poor transport links, and previous reliance on other economies. Also, given the divergences among the BRICs, it is highly unlikely that they will be able to create a power bloc that becomes a guiding force during the medium to long term, but there is no doubt that their influence will grow significantly (Singh and Dube, 2013).

It is important to note that China's 1.3 billion people are rapidly gaining purchasing power, and that by 2020, China will surpass the U.S. in middle class consumption. Also, China is rapidly emerging as a new market for Caribbean real estate and products like tourism. Further, it is estimated that the value of out-of-country travel by the Chinese in 2012 was US$102 billion, surpassing Germany and representing a 40% increase in the one year over 2011 (ETurbo News, 2013, Aug 20).

A planned trade mission to China for Caribbean governments and top private sector executives in tourism and investment may yield benefits to Barbados, since the Chinese President visited Barbados in 2013 and pledged more than $3 billion in loans to 10 Caribbean nations and Costa Rica (ETurbo News, 2013, July 12a). This may not yield significantly in the short term, but China is now a travel market with future potential for Barbados.

One of the fastest growing aviation markets in the world is South America. This market is experiencing a period of unprecedented growth and saw scheduled flights to and from the region increase by 6.1% in 2012. Much of this growth is underpinned by the strong economic growth experienced in the last few years in the region, particularly Brazil, which saw GDP growth peak at 7.5% in 2010. In 2011, Brazil became the sixth-largest economy in the world (see Figure A1), and the country is enjoying an economic boom because of high oil prices, which in turn lead to rapid growth. It is also the largest Latin American economy (OAG Market Intelligence, 2012, May). Although the fast pace of economic growth has slowed in the last two years, Brazil remains an important contributor to the global economy, and forecasters expect strong growth to return by 2014 (BBC Business News, 2012).

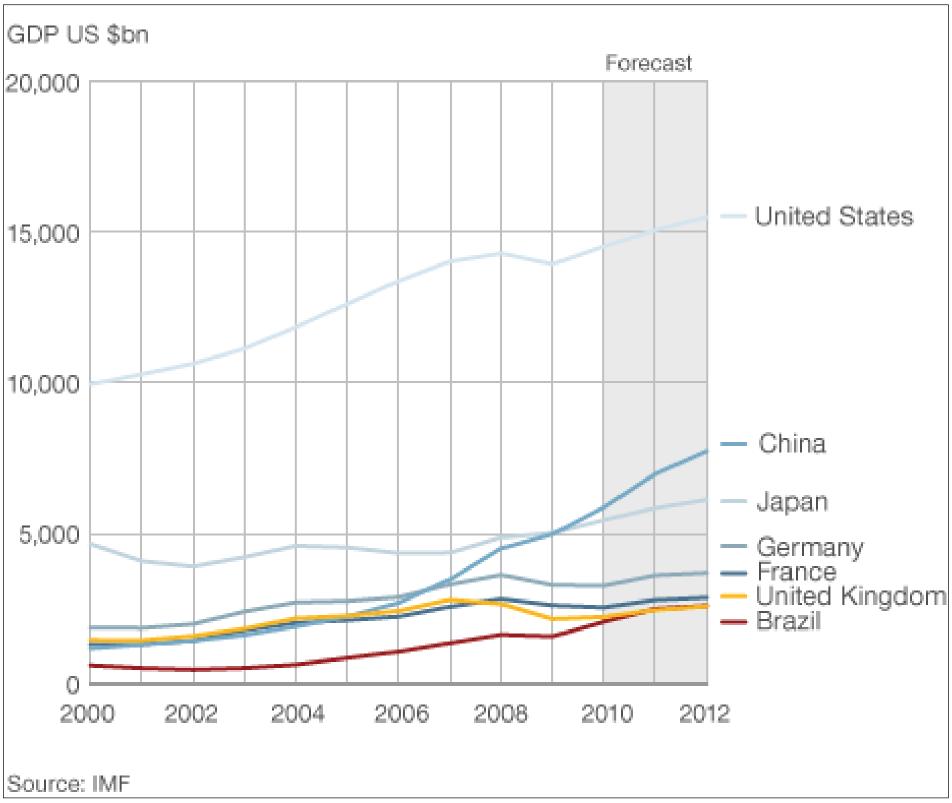


Figure A1.Brazil About to Overtake UK as World's Sixth Biggest Economy (Source: IMF).

Other countries in South America, such as Chile, Argentina and Colombia, have also experienced strong growth over the last decade – averaging at 4% each year - but due to smaller populations, the demand for air travel in these countries is not as high as in Brazil. Colombia has a new open skies agreement since January 2013, so opportunities abound. A significant increase in direct air services between Colombia and the US is expected, and some airlines had previously outlined their plans to serve this market. It is also expected that low cost carriers (LCCs) will expand rapidly over the next few years and transform Colombia's aviation industry.

South America's aviation landscape is dominated by Brazil and Colombia. Both countries have seen their international seat capacity double in the last 10 years. However, Brazil outstrips all other countries, and accounts for 44% of all seats within Central and South America. Table A1 illustrates Brazil's market share and potential, and Figure A2 illustrates the increase in its route capacity (OAG Market Intelligence, 2012, May).

Table A1. Market Share within South America: All Scheduled Non-Stop Passenger Departure Flights Seat Capacity for South America (OAG, 2012).

South America Countries	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Brazil	53.01%	55.25%	52.90%	51.98%	51.13%	51.00%	54.26%	56.17%	56.81%	58.65%	60.90%
Colombia	10.02%	10.65%	12.35%	12.01%	11.99%	12.49%	11.46%	11.03%	11.40%	11.72%	11.05%
Argentina	11.10%	9.11%	9.38%	9.92%	9.51%	8.89%	8.75%	8.43%	8.53%	7.79%	7.02%
Chile	7.12%	6.69%	7.67%	7.84%	7.32%	7.15%	6.40%	6.28%	6.08%	5.99%	6.07%
Peru	4.97%	4.73%	5.39%	5.43%	6.52%	5.78%	5.22%	5.40%	5.14%	5.05%	5.44%
Venezuela	9.15%	8.62%	6.28%	6.63%	6.98%	6.42%	6.11%	5.35%	4.84%	3.93%	3.46%
Ecuador	1.07%	1.33%	1.83%	2.13%	2.54%	4.54%	4.28%	4.13%	4.12%	3.84%	3.34%
Bolivia	1.91%	1.99%	2.45%	2.17%	2.22%	2.13%	1.97%	1.71%	1.75%	1.69%	1.47%
Uruguay	0.74%	0.71%	0.76%	0.82%	0.77%	0.65%	0.67%	0.58%	0.50%	0.57%	0.57%
Paraguay	0.34%	0.38%	0.40%	0.43%	0.47%	0.41%	0.43%	0.44%	0.37%	0.35%	0.30%
Guyana	0.19%	0.27%	0.29%	0.28%	0.26%	0.25%	0.19%	0.18%	0.16%	0.15%	0.14%
French Guiana	0.29%	0.16%	0.17%	0.18%	0.16%	0.15%	0.13%	0.13%	0.15%	0.14%	0.12%
Surinam	0.09%	0.11%	0.13%	0.17%	0.14%	0.12%	0.13%	0.14%	0.14%	0.14%	0.11%

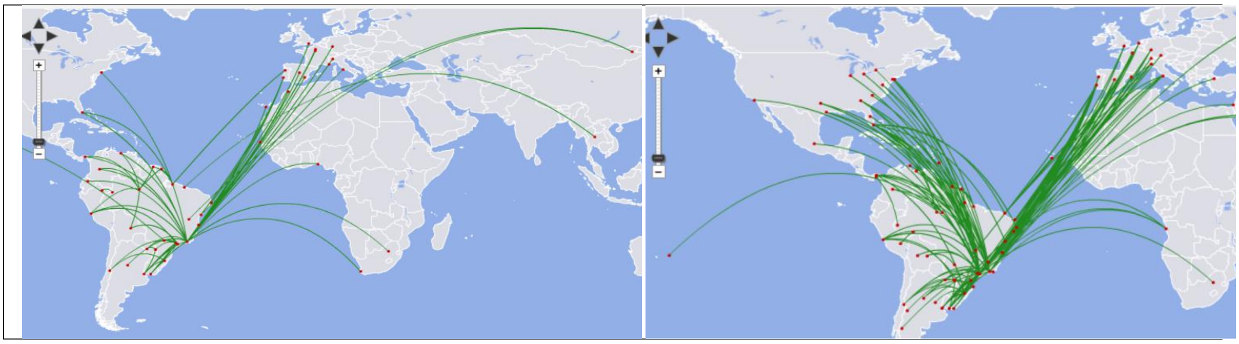


Figure A2. Increase in International Flights from Brazil, 1980 (left) and 2012 (right) (OAG, 2012).

Air travel in Brazil is expected to double over the next decade, driven by an average economic growth rate of approximately 4% per year (see Figure A3), which in turn will see the average level of disposable income rise across the country, driving demand for air travel.

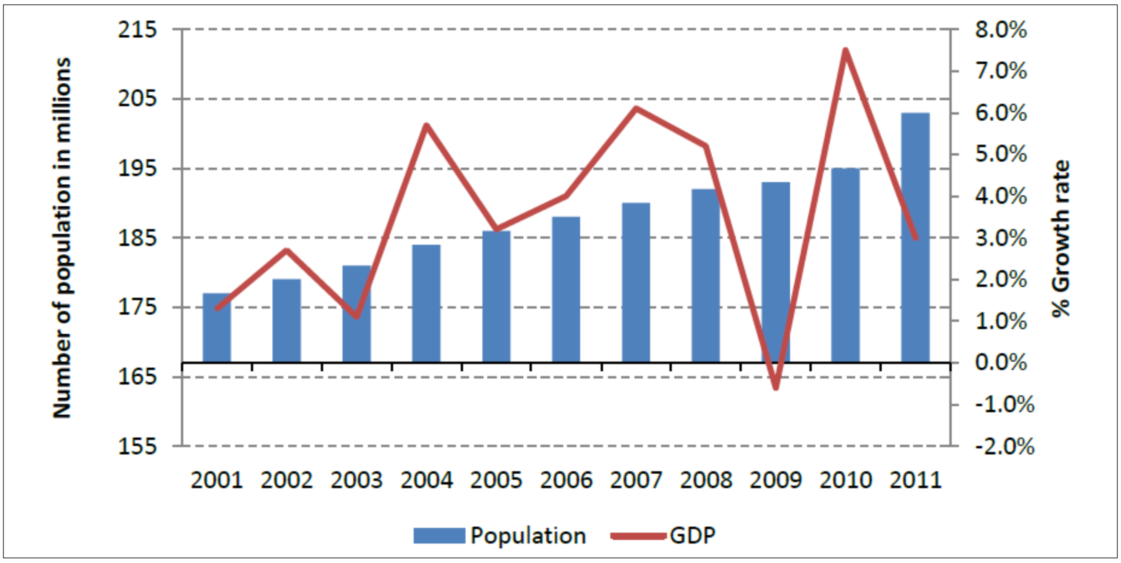


Figure A3.Brazil Population and GDP Growth Rate 2001 – 2011 (OAG, 2012).

Brazil increased its aviation market share within South America 8% over the last decade. The country still dominates the region and held 61% of the aviation market in 2011 (see Figure A4).

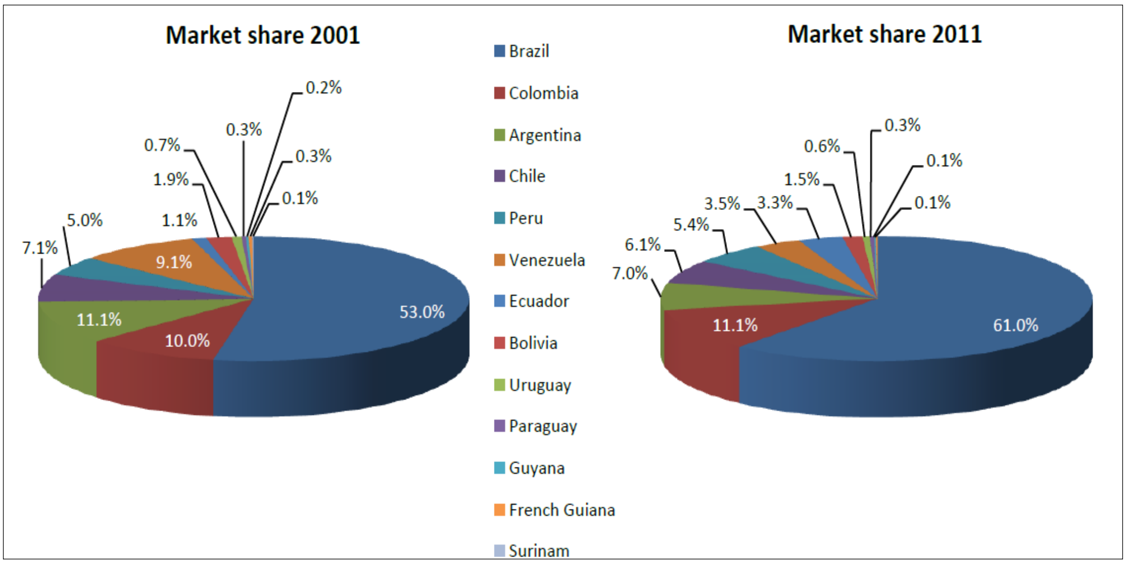


Figure A4. Aviation market share in South America (OAG, 2012).

In terms of aviation, Latin America is experiencing a period of alliance and consolidation activity amongst its carriers at a time of strong passenger growth. This important and highly profitable market has significant potential for joint venture models in the underdeveloped low-cost carrier (LCC) sector, both domestically and in the fast-growing intra-Latin America international market. In 2012, only 17% of capacity to and from the region was operated by LCCs. Thus there are undoubtedly opportunities for further cross-border consolidations and the launch of new ventures in the region.

GOL is a Brazilian low-cost airline based in São Paulo, and is the largest in Latin America, with a young, modern fleet. In 2007, GOL acquired Varig. GOL Airlines has seen scheduled seat capacity grow at an average of 8% each year since 2009, although this began to slow down in 2012. The frequency trend is very similar with average annual growth of 7%. In 2012, GOL operated services to 67 destinations (see Figure A5). This is lower than in 2009 when both carriers merged.

Figure A5.VARIG-GOL Airlines Flights in January 2013 (OAG, 2012).

The Brazilian aviation industry overall has experienced a significant capacity growth of 39% over last five years, driven mainly by the introduction of LCCs into the region. The Air Transport Licensing Authority issued a license to VRG Linhas Aereas (GOL) in June 2010 for scheduled services between Barbados and Brazil (Sao Paulo). This first direct flight reduces flight times by several hours (vs. the previous route via Miami) and provides both Economy and Comfort classes. GOL has formed partnerships with tour operators who specialise in the Caribbean in order to sell packages to Barbados. Seats are also sold through the GOL website and via travel agents.

Overall, the growing economies of the South American region will continue to drive aviation growth to, from and within the region, as investment improves both domestically and internationally. The rapidly growing market of Brazil is creating opportunities for new route development and strategic partnerships, despite some slowing of the Brazilian economy.

Brazil and Colombia have seen international seat capacity double in the last decade. Despite being the fourth biggest country in the world by population, Brazil's international capacity is only ranked 29th in global terms, after countries such as Spain, Japan, Thailand, Canada and Australia. This gives insight into the potential for future international capacity growth that Brazil still offers.

1.2.2 The Aviation Industry

The recession of 2008/2009 was a huge blow to the global aviation industry, which suffered almost $10 billion in losses in 2009. But the industry has since returned to a profitable status. Passenger traffic levels were regained by May 2010, but it was a very low profit margin. Losses were highest in Europe, rather than the Americas and Asia, and questions over industry viability and the need for new revenue sources remain.

Overall travel market increases are echoed by worldwide air traffic volume increase of 5% between 2011 and 2012, although Asia is the fastest-growing market at 9%, with Latin America second at 6% growth. Latin America, although also in a global financial crisis, is in better condition to meet new challenges than the Americas. It is doing this by creating increased alliances, passenger growth, and developing a competitive strategy to cope with international competition (Amadeus Oxford Economics, 2010b).

There is a slight decrease in global air traffic served by one or two airlines, and an increase in routes with four or more competing airlines. Of relevance to Barbados is the fact that the airline industry has become consistently more competitive over the past three years.

1.2.2.1 Airline Profitability

Although airlines are recovering in terms of traffic, their profitability may still be an issue (see Figures A6 and A7). Lower profitability implies that there is likely to be downsizing in the industry, reducing capacity and pushing up prices, over the long term. In Europe, this capacity cutback may provide more opportunities for LCCs who have generally reported higher levels of profitability. The suggestion that swings in GDP drive much of the airline industry's performance is supported by international air passenger growth and revenue per passenger kilometer (Amadeus Oxford Economics, 2010b).

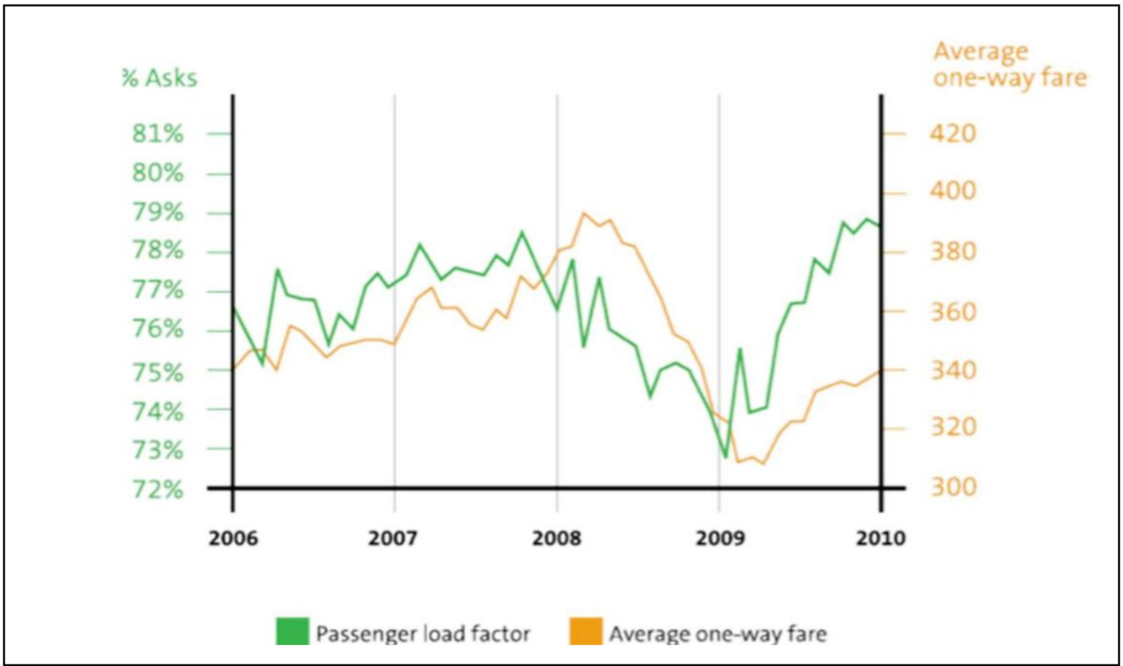


Figure A6.Load Factors and Fares: 2006 – 2010 (Amadeus Oxford Economics, 2010b).

Then again, low profit margins, an inability to recover the cost of capital, and repeated airline failures, all raise questions around industry performance and revenue generation capacity over the long term. The future fortune of the aviation industry is felt to rest on whether it can find new (and/or more reliable) sources of revenue, as well as how it adapts to potential changes in tastes and travel patterns (Amadeus Oxford Economics, 2010b). These questions are vital, along with broader issues of the global travel market and the nature and composition of air travel.

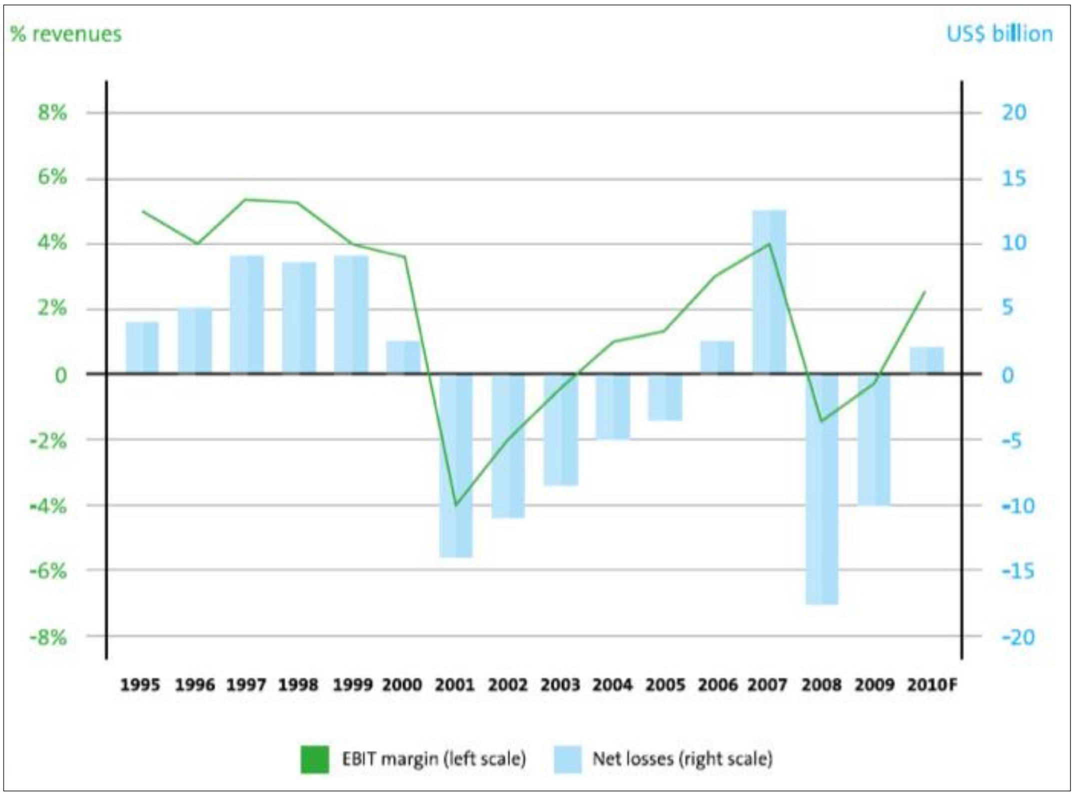


Figure A7. Global Commercial Airline Profitability: 1995 – 2010 (Amadeus Oxford Economics, 2010b).

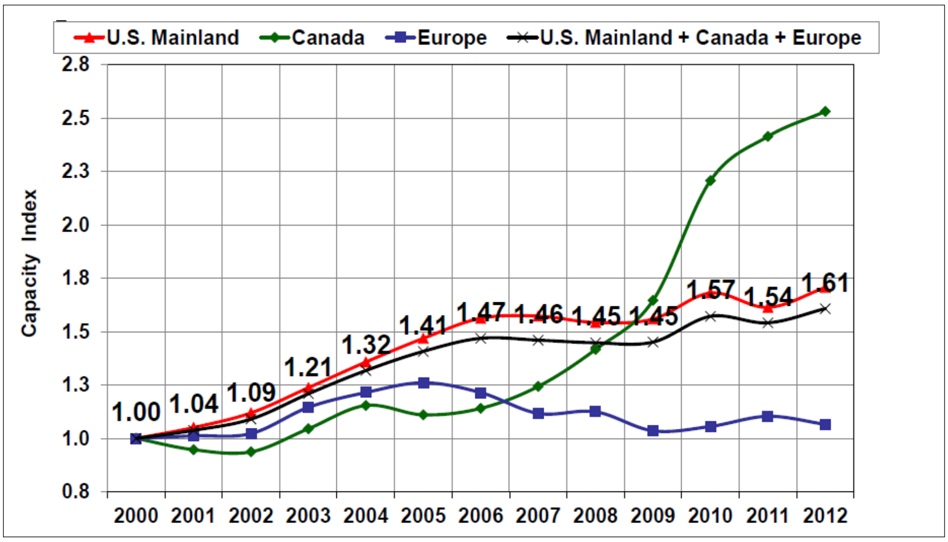
The US, a significant market for the Caribbean, was impacted in terms of load factors, by the events of 9/11, and the domestic seat factor took almost 10 years to recover. However, the international load factors out of the US were more resilient, and have averaged 64% since 2002. Mainline carriers suffered more than LCCs, since they were more able to respond by cutting capacity and adjusting fares to manage the demand, and maintain their load factors.

The average yield (cents of revenue per passenger mile) has grown over the decade from about 10¢ to 12.5¢ for about the last 7 years. This has been achieved through a mix of new international routes and capacity being better aligned to demand (OAG, 2012).

The most recent SITA survey shows airlines are expected to generate 14% of their total revenue from ancillary (non-airfare) sales through mobile technology, social media and kiosks by 2016. However, direct sales channels operated by airlines are expected to still account for 87% of ancillary sales during that time period (Steinmetz, 2013 July 21).

1.2.2.2 Aviation Market Capacity

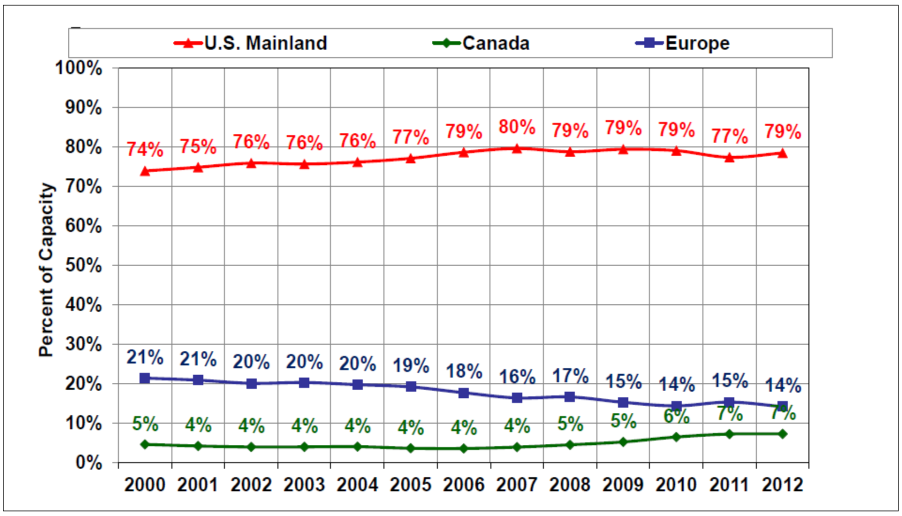
Caribbean airline capacity has grown 61% since 2000, overall. The EU has remained relatively flat; the US mainland has grown modestly, while Canada has grown steeply, by 253% (Lum, 2011). The average growth for the 3 regions combined is shown in Figures A8 through A12.



US Mainland, Canada and Europe – Caribbean Capacity: Change relative to 2000
2000-2012 Scheduled Seats (exclusive of Cuba)

Figure A8. Growth in airline capacity to the Caribbean since 2000(Lum, 2011).

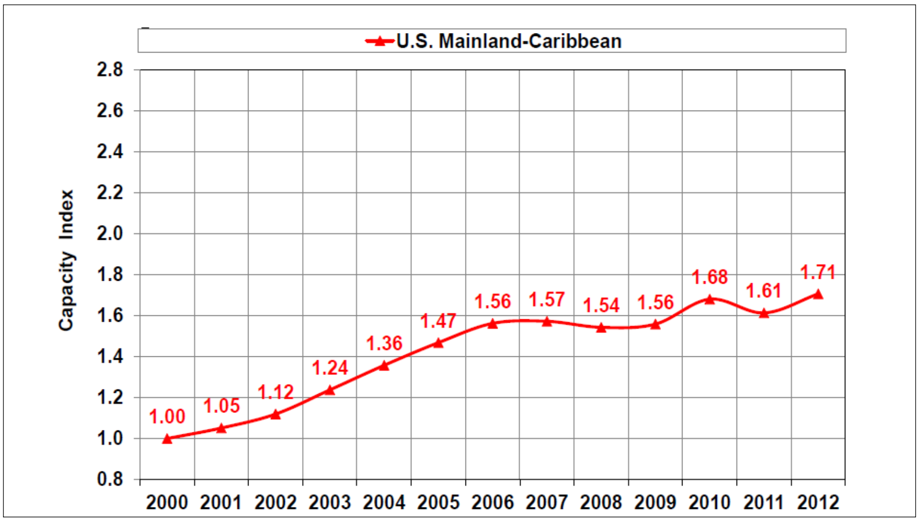
Canadian growth is striking. The difference is also noted between the share which Europe holds, versus US and Canadian capacity. The US mainland and Canada capacity as a share of total Caribbean capacity has increased: Europe has decreased.



US Mainland, Canada and Europe – Caribbean Capacity: Capacity Share
2000 – 2012 Scheduled Seats

Figure A9. Airline capacity share to the Caribbean since 2000 (Lum, 2011).

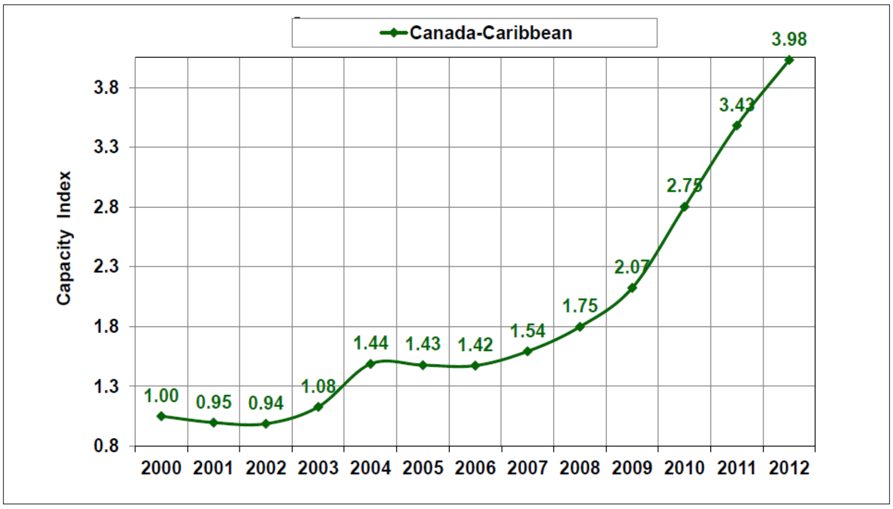
The **US Mainland to Caribbean capacity** has grown 71% since 2000, and is expected to continue to increase. In addition, the total number of US mainland to Caribbean routes flown has increased; they rose from 104 in 2000 to 205 in 2012.



US Mainland – Caribbean Capacity: Change Relative to 2000
2000 – 2012 Scheduled Seats

Figure A10. Growth in airline capacity from the US mainland to the Caribbean since 2000 (Lum, 2011).

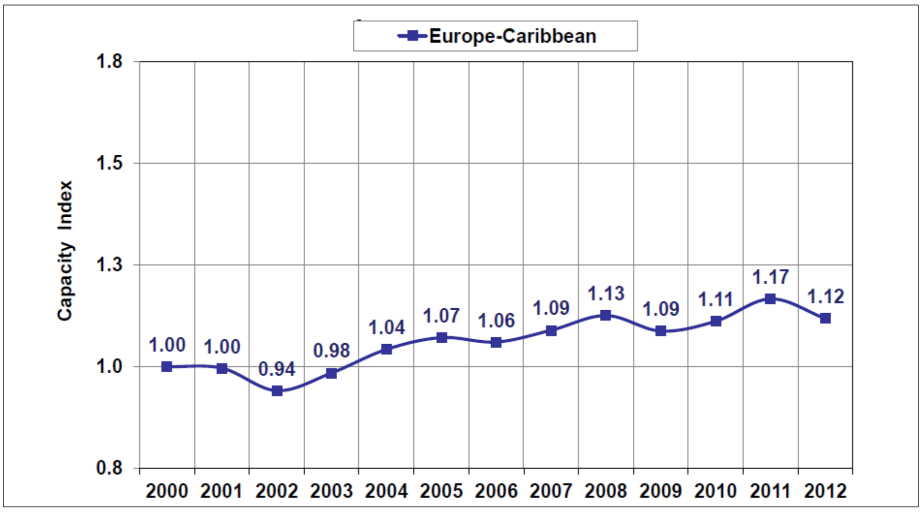
Unlike the US situation, the Canada to Caribbean capacity has grown almost 400% since 2000, and most of the growth occurred in the last 4 years. However, of this impressive increase, Cuba and Jamaica now account for half of all Canada to Caribbean capacity, with Cuba accounting for 30% and Jamaica 21%; Barbados only accounts for 7% of Canadian capacity (Lum, 2011). However, the Barbados capacity change from Canada since 2000 is 37%, so there may be potential to further increase Canadian capacity.



Canada – Caribbean Capacity: Change Relative to 2000
2000 – 20012 Scheduled Seats (includes Cuba)

Figure A11. Growth in airline capacity from Canada to the Caribbean since 2000 (Lum, 2011).

In terms of Europe to Caribbean Capacity change, no island lost European service entirely since 2000; however, this did decline in 5 Caribbean markets. Barbados' capacity change for Europe to Caribbean, by scheduled seats, is up 55%. Europe to Caribbean capacity has grown only 12% since 2000, and is much lower than the US mainland or Canadian growth (Lum, 2011).



Europe – Caribbean Capacity: Change Relative to 2000
2000 – 2012 Scheduled Seats (includes Cuba)

Figure A12. Growth in airline capacity from Europe to the Caribbean since 2000 (Lum, 2011).

While US capacity has declined by -1% since 1998, the Latin America capacity growth rate is 5%. Thus, the growing Latin American aviation market countered the capacity decline seen in the US and Caribbean markets during 2009. Latin America helped to drive aviation growth in the Americas as investment grew domestically and internationally, driving demand for new routes as well as growth on existing routes. In particular, the rapidly growing market of Brazil created opportunities for new route development and strategic partnerships. Relative market growth is illustrated in Figure A13 (OAG, 2012, Feb).

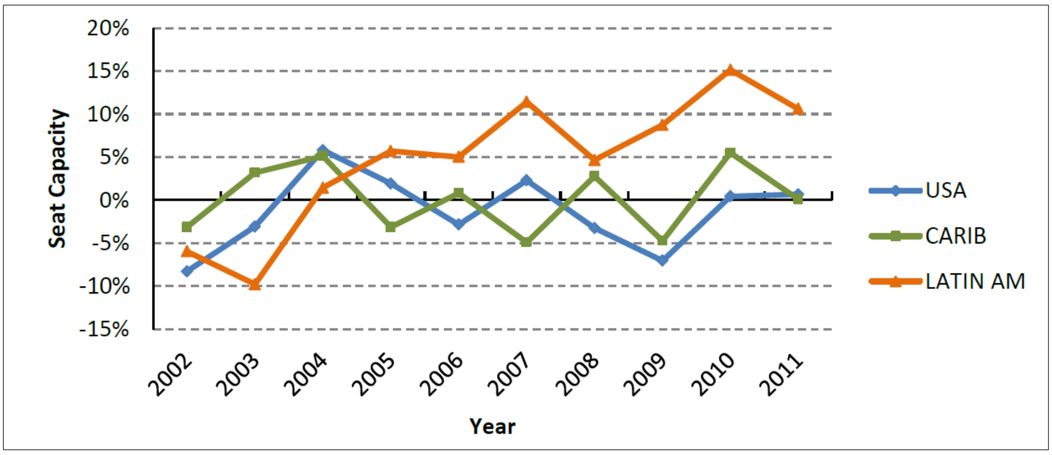


Figure A13. Year-on-year seat capacity growth trends 2002 - 2011 (OAG, 2012).

1.2.2.3 Rise of Low Cost Carriers (LCC)

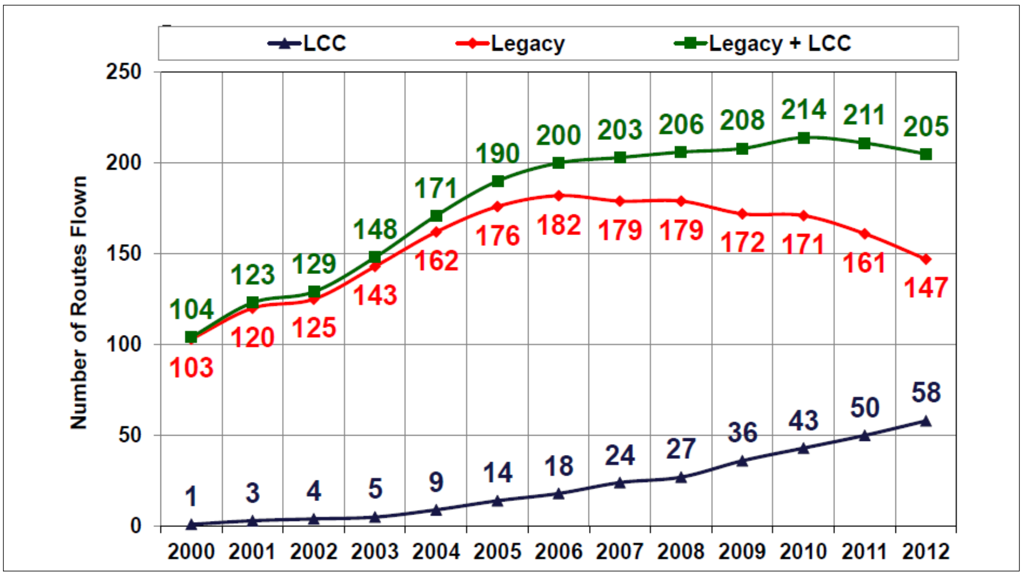
The rise of low cost carriers (LCC) has been significant over the past decade, but has been largely limited to traditional markets (see TableA2). The highest concentration of LCC traffic is in Europe (38% of total air travel in 2012, but 52% in the UK), followed by the SW Pacific and North America. However, in markets where air travel is growing most strongly, LCC share of overall air travel is quite modest, except for Latin America where LCC share of air travel is 25%. Latin America, an important market, has potential for joint venture models in the underdeveloped LCC sectors, in both domestic and intra-Latin American markets (OAG, 2012, Feb).

Since 2007, the LCC in the US have cut capacity as the demand for air travel in the US slowed due to the economic downturn. As the US economy recovers, capacity growth is returning to the LCC, with growth expected to continue.

Table A2. Low cost versus mainline carrier market share by region (OAG, 2012).

Market	US Market Share 2011	Caribbean Market Share 2011	Latin American Market Share 2011
Low Cost Carriers	28%	14%	30%
Mainline Carriers	72%	86%	70%

Figure A14 illustrates the US to Caribbean capacity, by segment (legacy or mainline carrier, vs LCC). The decrease in mainline carriers and the growth in LCC are very evident.



US Mainland – Caribbean Capacity: No. of Routes Flown by Carrier Segment
2000 – 2012 Routes Flown

Figure A14. US to Caribbean capacity, by segment (Lum, 2011).

In Latin America, the GOL-Varig acquisition triggered a significant structural change in Latin American capacity, and that change continues today with scheduled seat capacity within the region continuing to shift towards LCC (see Figure A15). In 2012, LCC achieved a market share of 31% of capacity within the region, up from 30% the previous year.

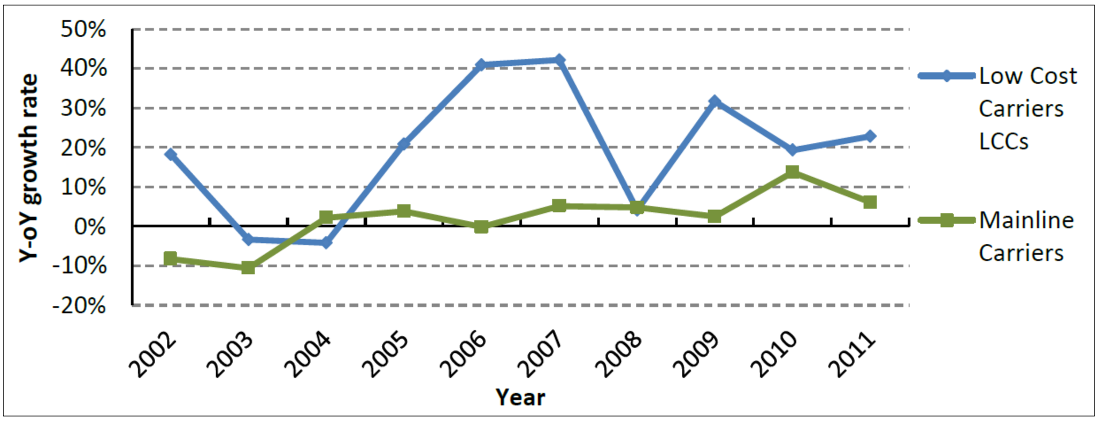


Figure A15. Latin America capacity, by segment 2002 – 2011 (OAG, 2012).

LCC in the Caribbean have also seen growth in market share; reaching 21% in 2012 (see Table A3). This increase of 7 percentage points has been driven by LCC growing at an average annual rate of 25% over the last decade with carriers such as JetBlue and Spirit expanding operations and capacity to the region. The South America region presents opportunities for US carriers in the form of route development, partnerships and investments.

Table A3. Low cost carriers versus mainline carriers, 2011 and 2012 (OAG, 2012).

Region	2011		2012		Change	
	LCC	Mainline	LCC	Mainline	LCC	Mainline
Caribbean	14%	86%	21%	79%	⬆ 7%	⬇ -7%
Latin America	30%	70%	31%	69%	⬆ 1%	⬇ -1%

The low cost carrier segment in the Caribbean has experienced an average annual growth rate of 25% since 2002, through carriers such as JetBlue and Spirit expanding operations and capacity to the region. Similarly, Virgin Atlantic became the largest carrier between the UK and the Caribbean in 2011, with almost 22,000 seats weekly and additional services to Barbados (as well as Havana, Tobago and Grenada) from two UK airports, Manchester and Gatwick. Barbados is the airline's most popular Caribbean destination, with over 2.25 million passengers having flown on the route since Virgin's inaugural flight in 1998 (Virgin Atlantic, 2013). Perhaps surprisingly, the overall level of capacity from mainline carriers has not fallen as significantly as may have been expected, as shown in Table A4.

Table A4. Caribbean low cost carriers (LCC) versus mainline carriers: Change in absolute numbers of seats over the decade (OAG, 2012).

Caribbean Market	Capacity 2002	Capacity 2011	Change	% Change
Low Cost Carriers (LCC)	409,847	4,113,023	3,703,176	+904%
Mainline Carriers	28,451,670	25,892,436	-2,559,234	-9%

Although currently lower in numbers, the LCC are clearly gaining tremendous ground in the Caribbean versus mainline/legacy carriers. FigureA16 illustrates the year over year growth rates by segment (LCC vs mainline carriers), over the decade (OAG, 2013, Feb).

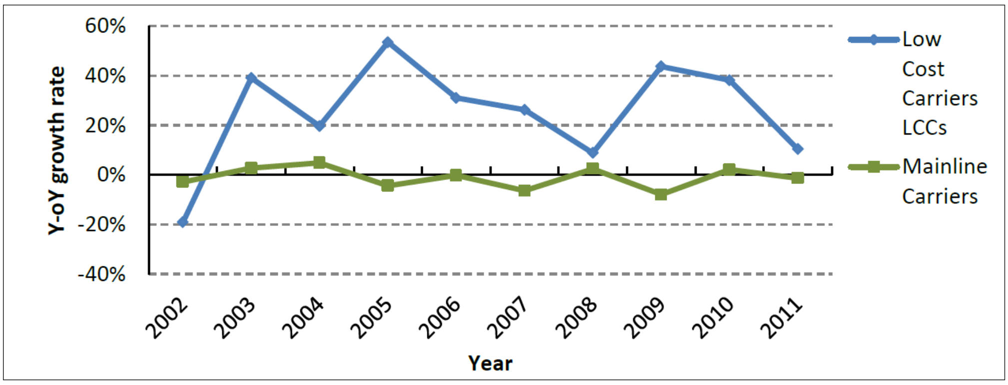
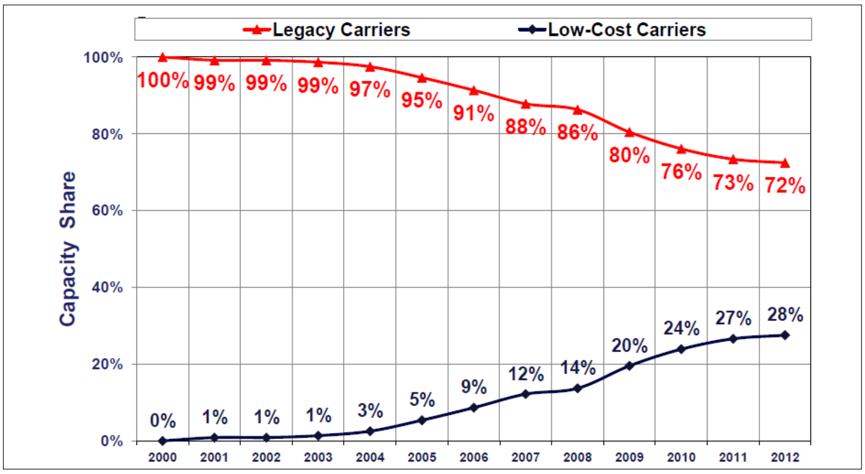


Figure A16. Caribbean capacity, by segment 2002 – 2011 (OAG, 2012).

Despite the growth of LCC, mainline/legacy carriers are still prominent in the Caribbean, currently operating nearly 3/4 of the capacity from the US to the Caribbean (see Figure A17). However, the growth of the LCC shows that there could soon be a very similar number of each type of carrier (Lum, 2011).



US Mainland – Caribbean Capacity: Legacy Carriers vs LCCs
2000 – 2012 Scheduled Seats

Figure A17. Airline capacity from the US mainland to the Caribbean since 2000: Legacy carriers versus LCC (Lum, 2011).

In 2011, Delta Airlines created a Caribbean (and Latin American) division, signaling its intent to grow in the region. (Latin American and Caribbean markets account for around a quarter of Jet Blue's capacity). Southwest also announced expansion into the Caribbean, contributing to the regional attraction (Airline Business Magazine, 2012).

American Airlines is the carrier with most capacity from the US mainland to the Caribbean, but this share of mainland to Caribbean capacity is down from about 2/3 in 2000, to just over 1/3 today, with the other legacy carriers remaining fairly similar. JetBlue, with only 1% of capacity in 2004, has now emerged as the second largest carrier, with slightly more than one-fifth of the capacity (see Figure A18).

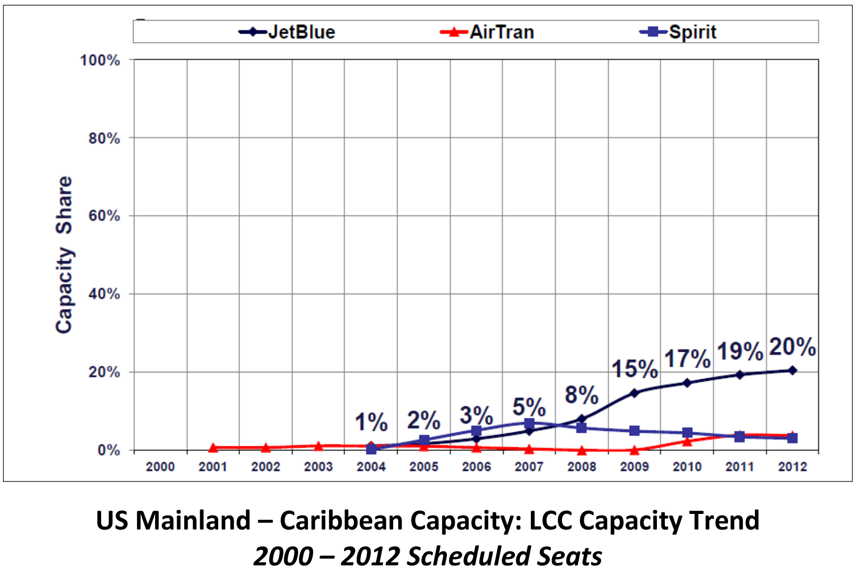


Figure A18. Airline capacity from the US mainland to the Caribbean since 2000: Trends in LCC capacity (Lum, 2011).

The airlines that have added the most numbers of new US to Caribbean routes are shown in Figure A19.

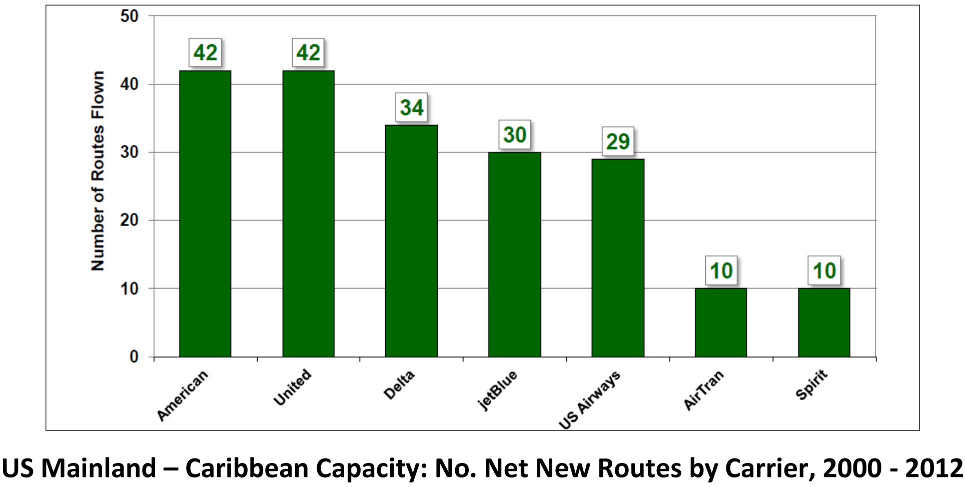
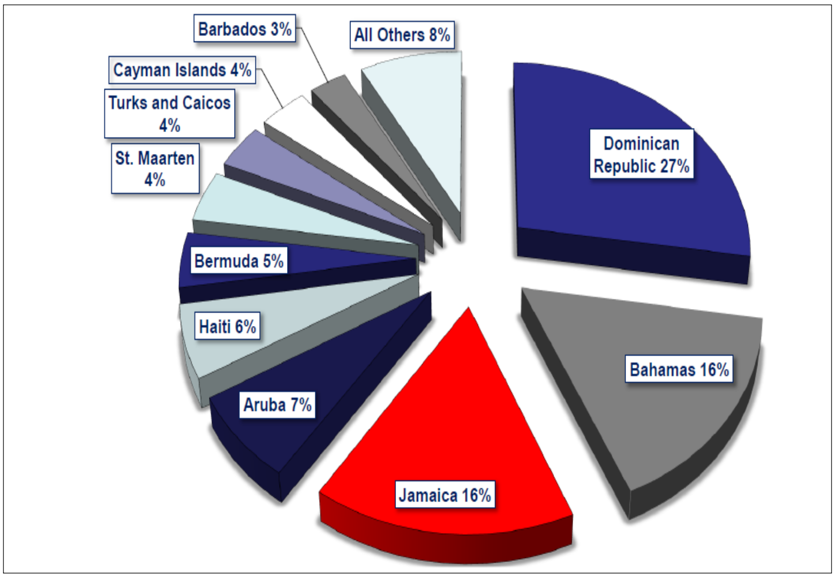


Figure A19. Number of net new routes from the US mainland to the Caribbean by carrier, 2000 – 2012 (Lum, 2011).

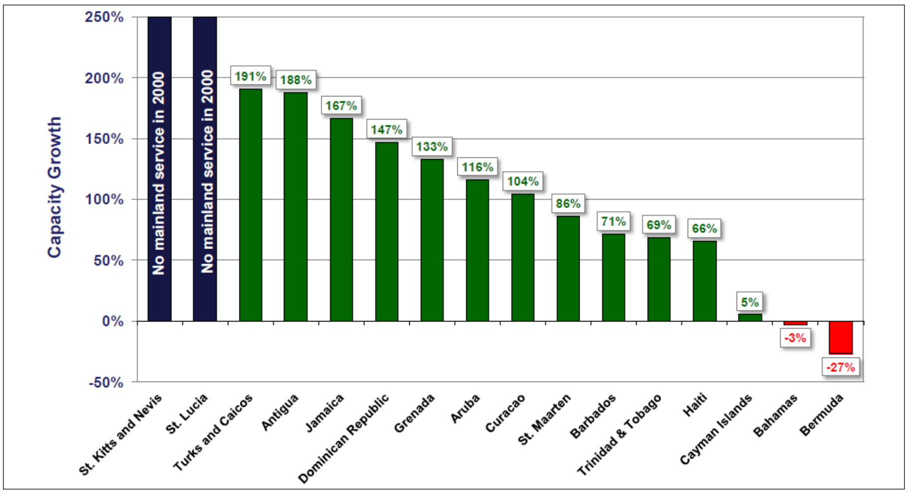
Since 2000, the key airlines are American and United, followed by Delta, JetBlue and US Airways. American operates over 1/3 of the capacity from the mainland to the Caribbean. JetBlue has emerged as the second largest carrier overall, with slightly more than 1/5th of the capacity (Lum, 2011). US Airways and American Airways have recently merged (ETurbo News, 2013, July 12b). But Barbados does not account for very much of the US mainland – Caribbean capacity. The key destinations are the Dominican Republic (27%), Bahamas (16%) and Jamaica (16%), while Barbados is only 3% (see Figure A20).



Published 2012 US Mainland Caribbean Capacity by Island
January 2012 – December 2012 Scheduled Seats

Figure A20. US mainland to Caribbean capacity by island, 2012 (Lum, 2011).

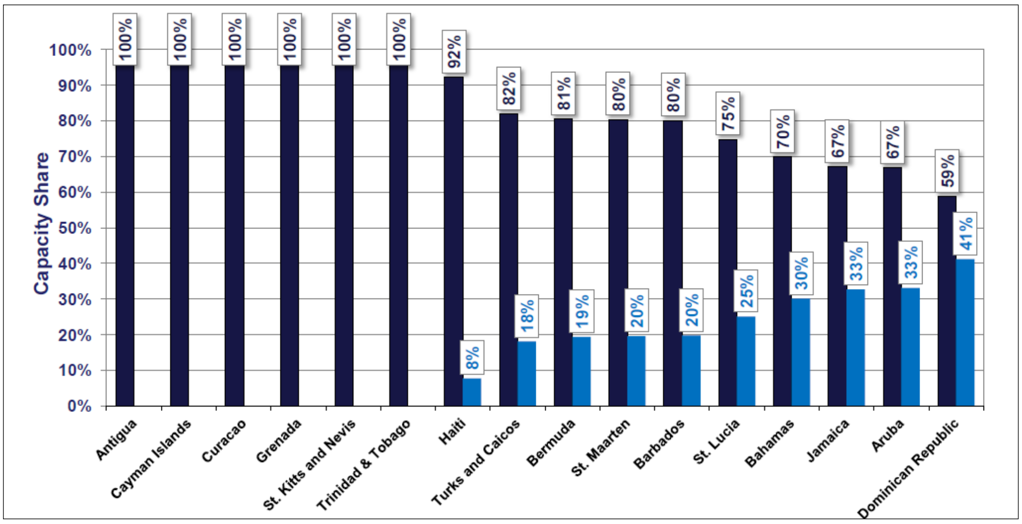
Most islands have additional mainland capacity, including Barbados, which is at 71% of scheduled seats (see Figure A21).



US Mainland – Caribbean Capacity: Capacity Change since 2000 by Island
2000-2012 Scheduled Seats

Figure A21. Airline capacity from the US mainland to the Caribbean: Capacity change since 2000 by island (Lum, 2011).

In terms of share of LCC capacity vs. Legacy carriers, Barbados has 80% Legacy carriers, and 20% LCC (see Figure A22). If it is noted that the key destinations for US mainland carriers are the Dominican Republic, the Bahamas and Jamaica, then it is relevant to note that these are among the 4 islands with the highest proportion of LCC.



US Mainland – Caribbean Capacity: Legacy vs. LCC Share by Island
2012 Scheduled Seats

Figure A22. Airline capacity from US mainland to the Caribbean: Legacy versus LCC share by island, 2012 (Lum, 2011).

The average fare for US mainland to Caribbean markets has increased only $49 each way, over the period from 2000 until now. Fares are now $263 each way, on average.

1.2.2.4 Future Airline Prospects

According to IATA, global airline sector profit will grow from $4.6 billion in 2009 to a forecast figure of $7.5 billion for 2013, with Asia Pacific and West Asia based airlines dominating the international passenger market and leading the way in terms of improved operating margins. The Asia-Pacific region will lead world traffic by 2031 with a 32% share, and the Middle East will rise to 11% (Steinmetz, 2013, May).

Forecasts over the next 20 years for global GDP growth are at 3.2% per annum compound annual growth rate (CAGR). Based on International Civil Aviation Organization forecasts, the number of airline passengers is projected to grow at 4% per annum (CAGR) with airline traffic growth outlined to grow at 5% per annum (CAGR).

In North America, the strategy is consolidation, and in Europe, carriers are lobbying to end excessive taxation and passenger duties. IATA reports that partnership activity is a major focus. Airlines are proactively seeking more meaningful alliances and partnerships to boost their synergies and passenger flows (Steinmetz, 2013, May).

In terms of markets, the CTO indicates that the tourism outlook will include US and Canadian markets continuing to perform well, as airlines continue to manage airlift and airfares amidst the variations in consumer demand. But visitor spending is expected to be fairly tight, due to uncertain economic conditions. The UK, however, was not expected to improve much. Visitor traffic overall, is expected to increase by 4% – 5% in the next year (Travel and Tour World, 2013).

The Latin American economies continue to drive aviation growth. Yet, in the US, economic conditions continue to hamper mainline carriers, whereas LCC are expected to continue to have capacity growth. It is considered by industry expert OAG that the Latin American market presents a huge opportunity, globally, as well as in the Caribbean. There has been consolidation in that aviation market (GOL acquired Varig in 2007, and LAN and TAM in 2011) but there are still considered to be opportunities in the region. Scheduled seat capacity in the region continues to shift towards LCC. In the Caribbean, LCC growth is predicted to continue to grow, as carriers such as Southwest open new routes with their acquisition of AirTran, and the Latin American carriers increase their presence in the region (OAG, 2012, Feb).

1.2.3 Air Transport Services and Air Safety Status

1.2.3.1 Regional Air Transport Services

A World Bank study led by internal infrastructure and transport specialists, examined air transport in the Caribbean, options to improve services, and the sector overall (World Bank, 2006). The report was intended to assist the countries of the Organization of Eastern Caribbean States (OECS), particularly those countries which have ownership interests in airlines, including Barbados. The focus was on 2 areas:

- Improving ***sector policy and regulation*** for air services at both the national and regional level, including approaches to securing service continuity on potentially unprofitable routes and
- Addressing the ***future role of regionally-owned and operated airlines*** and the contribution of governments thereto.

In addition, the World Bank held a stakeholder symposium in Barbados, with representatives of government, airports, airlines, and regional organizations of relevance. That symposium notably confirmed the strategic importance of:

- sustaining effective regional services
- making foreign-based airlines want to fly to the Caribbean
- making regionally-based airlines viable

The recommendations, in summary, are:

1. **A policy of liberalization is effective in securing cost effective, reliable and quality air transport services in most cases**, as indicated by international experts**.** Competitive forces and technological change in the industry (smaller, efficient aircraft) increase the opportunity to provide services to various markets at a profit. This holds true in the Caribbean sub-region. ***Caribbean nations are advised to adopt a fully unrestrictive policy towards air services*** provided that:

   (i) local airlines have a right to compete, with the "community of interest" principle applying, and
   (ii) adequate arrangements are put in place to ensure fair competition. In this regard, negotiated "open skies" style bilateral agreements should be complemented by the CARICOM multilateral agreement to open new competitive opportunities for

the provision of regional air services. Barbados is party to the Multilateral Agreement Concerning the Operation of Air Services within the Caribbean Community. The Agreement entered into force on November 17, 1998, and seeks to create an air transport regulatory framework among CARICOM states that would provide for a more liberal and transparent exchange of intra-community route rights by CARICOM Governments for airlines owned and controlled by CARICOM states. This Agreement is currently under revision. Areas of consideration include the definition of an essential air service and provisions regarding public service obligations and subsidies.

2. **There are few cases where the public sector has been able to run an airline efficiently and profitably**. For specific historical reasons, there are, however, a number of airlines in the Caribbean sub-region that currently are part or wholly publicly owned. These airlines are undercapitalized and are generally facing serious operational and financial problems, with consequent negative impact on the quality and reliability of regional services. *Caribbean nations with ownership interests in regionally based airlines would be advised to adopt clear and appropriate policies and to take necessary actions to allow such airlines to compete, to become profitable and earn appropriate returns, or else go out of business. Open-ended, non-transparent and unpredictable government support for these airlines should not continue*. A formal ownership agreement between each government and the airline board could be struck, covering, among other things*:* target rates of return; lines of business; risk management policy; dividend policy; board accountability to the government; and financial support from the government necessary to implement the policy.

3. **Continuity of inter-island air services - especially in the Eastern Caribbean - in a liberalised market is a legitimate concern**. International evidence suggests that many countries adopting liberalised air services policies have recognized the importance of securing social services (public service obligation). But there are relatively few schemes to address this need in developing countries. *Caribbean nations would be advised to adopt appropriate policies in regard to public service obligation which would underpin, for example, the award of subsidies to airlines for selected routes and services on the basis of a competitive process - that is to ensure "competition* ***for*** *the market " where "competition* ***in*** *the market " cannot be sustained*. The policy should clearly establish, among other things*:* objectives; target beneficiary groups or communities; payment arrangements; and performance monitoring.

4. **Effective policy and regulatory capacity is required, whether or not there is a liberal environment for providing air transport services**. Governments need the capability and know-how to effectively manage the opportunities created by competition for services to ensure overarching policy objectives can be met and satisfactory services to the consumer can be secured. The Eastern Caribbean has made a good start, via management of air safety and security. *Further to this, Caribbean nations would be advised to take the opportunity to now generally review and selectively strengthen public sector capacity, in order to assure effective monitoring of air transport services, to critically assess policy options and their impact on sector performance, and to develop and sustain knowledge of air transport best practices*.

These recommendations have not been entirely implemented, and continue to have high relevance today.

1.2.3.2 Airline Safety and FAA Status

Under the International Convention on Civil Aviation (Chicago Convention), each country is responsible for the safety oversight of its own air carriers. Other countries can only conduct specific surveillance activities, principally involving inspection of required documents and the physical condition of aircraft. The European Union (EU) evaluates airlines and their planes and publishes a "blacklist" of unacceptable carriers.

The International Air Transport Association (IATA), the industry's worldwide trade group, began working on a standard auditing regimen over a decade ago, borrowing from EU and US requirements, as well as the UN's International Civil Aviation Organization (ICAO). This evolved into an extensive safety check now required of all airlines, to be a member of IATA; passing the audit became mandatory for membership. The association hires eight firms to check processes and procedures at airlines, and inspects some aircraft, but not all.

By contrast, the US Federal Aviation Administration (FAA) evaluates countries, not carriers. The programme, first established in 1992, is designed to determine the capacity of foreign countries to adhere to international standards and recommended practices, including aircraft operation and maintenance, in conformity with the established norms of the International Civil Aviation Organization (ICAO). This is to ensure that any foreign carriers operating to and from the USA benefit from proper oversight in regard to safety by a competent civil aviation authority. In addition, it is a requirement that the airports from which direct flights leave for the USA, comply with US safety and security standards.

The US FAA conducts the International Aviation Safety Assessment Programme (IASA), assessing the Civil Aviation Authority (CAA) of each country that has carriers operating to the United States. The US inspectors decide if a country's aviation infrastructure is up to their standards, by counting the number of inspectors watching over airlines, assessing air-traffic-control procedures and evaluating funding and legal authority of aviation regulators.

The FAA evaluation is based largely on standards set by the ICAO, and all assessments are fact-based evaluations.

Over 100 countries have been assessed by the FAA, and fall into either:

- **Category 1 status: Complies with the ICAO Standards and Recommended Practices contained in the ICAO Annexes**. This confirms that the US FAA conducted an IASA Audit on a State using the ICAO Critical Element criteria and that the State has satisfied the 8 critical elements and is in compliance with the ICAO SARPs. In this regard, the standard of oversight is considered acceptable. It also means the U.S. believes the country meets international standards of licensing and overseeing air carriers, and may initiate or continue service to the US in a normal manner and take part in reciprocal code-share arrangements with US carriers.
- **Category 2 status: does not comply with the ICAO Standards and Recommended Practices contained in the ICAO Annexes**. This confirms that the US FAA conducted an IASA Audit on a State using the ICAO Critical Element criteria and that the State has failed to satisfy all or some of the 8 critical elements and is not in compliance with the ICAO SARPs. Category 2 does not mean airlines from that country are banned; only that any new service and airline passenger-sharing ties are frozen. This can have adverse economic impact on a country and its airlines. The US assessed Barbados' CAA and determined it does not provide safety oversight of its air carrier operators in accordance with the minimum oversight standards established by the ICAO.

Category 2 status is applied if *one or more of the following deficiencies* are identified:

1. The country lacks laws or regulations necessary to support the certification and oversight of air carriers in accordance with minimum international standards,
2. The CAA lacks the technical expertise, resources, and organization to license or oversee air carrier operations,
3. The CAA does not have adequately trained and qualified technical personnel,
4. The CAA does not provide adequate inspector guidance to ensure enforcement of, and compliance with, minimum international standards or
5. The CAA has insufficient documentation and records of certification and inadequate continuing oversight and surveillance of air carrier operations.

However, several Caribbean nations have Category 2 status, including Barbados, which was downgraded in April, 2011. The FAA assessed Barbados' CAA, and determined that Barbados fails to comply with ICAO safety standards, that Barbados lacked laws or regulations necessary to oversee air carriers in accordance with minimum international standards, or that its CAA is deficient in technical expertise, trained personnel, record keeping, or inspection procedures. This means Barbados cannot serve the US, although it had goals to do this (FlightGlobal, 2011).

Category 1 status confers a range of benefits to the countries concerned, in addition to the likely effect of increasing marketability through a safety "seal of approval", this including the opportunity to Code Share with US Airlines. One such benefit is to allow the airlines of that particular country to be eligible to fly into the USA, which may be quite an important consideration when countries assess the benefit of entering into an "open skies" agreement.

To become a more credible player in the global aviation scene, Barbados needs to obtain Category 1 status for its airport. In this regard, Barbados as an ICAO Contracting State was exposed to an ICAO USOAP Audit in 2009 and a follow-up ICAO USOAP Audit in 2013. The FAA conducted a follow-up IASA Audit on Barbados in 2011 and for the first time Barbados was categorized by the FAA as Category 2. Further to the ICAO Audit in 2013, a Corrective Action Plan with time lines was created and submitted for the completion of actions to rectify the findings contained in the ICAO Report (Ministry of Tourism and International Transport, 2014).

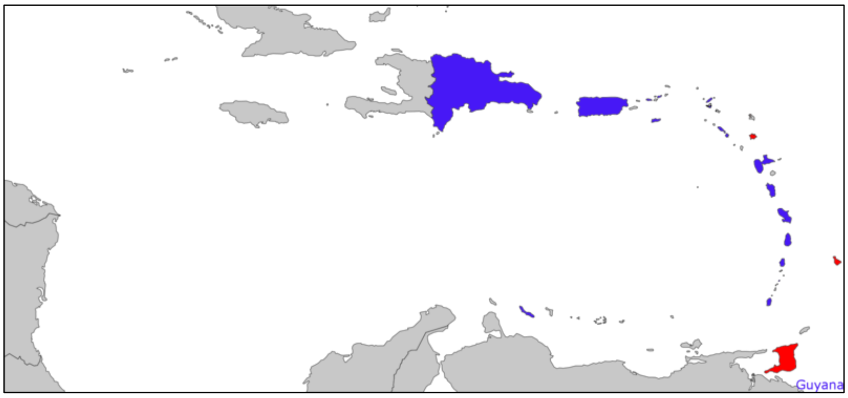
1.2.3.3 Airlines Serving Barbados

The following airlines serve Grantley Adams International Airport (GAIA):

Air Canada American Airlines/US Airways British Airways (UK) Caribbean Airlines Condor JetBlue	LIAT Thomas Cook Virgin Atlantic Airways VRG Linhas Aereas (GOL) WestJet

In July, 2013, the US Airways Group announced a merger with AMR Corporation (parent of American Airlines). This merger will make the 'new' American Airlines a highly competitive alternative, giving customers more choices, and will operate through an enhanced oneworld® Alliance.

Barbados has no national airline. It does, however, have a majority stake in Leeward Islands Air Transport (LIAT). LIAT is a prominent Caribbean airline, and it has a very long history (since 1956). It serves 22 destinations in the Caribbean (see Figure A23). It has a base at GAIA, but is headquartered in Antigua. However, even this long-standing airline has a rocky financial history. It has been near bankruptcy, then 11 Caribbean nations acquired the airline to keep it flying, and then partial privatization occurred to save it from bankruptcy once again. In 2007, LIAT proposed a merger with Caribbean Star Airlines, but in 2009, the then shareholder governments of Barbados, Antigua and St. Vincent gave the go ahead to purchase certain assets from Caribbean Star instead. LIAT is now owned by 11 Caribbean governments, 3 being the major shareholders, and of these, Barbados is the single largest shareholder. There are also some banking, corporate, and private shareholders. Although the airline is headquartered in Antigua, its commercial department is located in St. Michael, Barbados.



Key: LIAT Bases; LIAT destinations

Figure A23. LIAT airline destinations and bases (Wikipedia, 2011).

LIAT, in looking to the future, is considering various aircraft alternatives. It has 50-seat Q300s on most routes and some 37-seat aircraft, although some routes might be able to support the 70-seat Q400s (and this includes Barbados). However, the 70-seaters cannot be supported on many routes.

Unfortunately, LIAT has a poor reputation among locals and visitors to the Caribbean. The flights operate irregularly, with inconsistent arrivals and departures, baggage is often misdirected or not fully loaded, and there is poor customer service, late departures, and flight cancellations. These problems have been exacerbated by strikes, resulting in stranded passengers, with no recompense.

In addition, a recent scathing critique of LIAT by the region's leading hospitality consultancy points out how LIAT's performance is negatively impacting tourism investment and development in the region, and how inter-regional tourism has decreased by approximately 60% over the last 7 years due mainly to increasing LIAT fares. It was further indicated that the regional hotel and tourism industry are questioning LIAT senior management's strategic and financial track record, as well as their aircraft acquisitions/disposal programme and crew training. They understand that while there are market challenges, there must be more adoption of the business models of cost efficient airlines around the world, fresh strategic thinking, and increased professionalism in management systems at LIAT (MacLellan, 2013).

The most recent development is an expression of interest by Venezuela in investing in LIAT, as that government is interested in creating alliances and connectivity in the PetroCaribe zone. LIAT's principal shareholders include Barbados, Antigua, St. Vincent and the

Grenadines and Dominica – the latter 3 being members of Venezuela's ALBA Alliance[1]. Such an initiative could provide the airline with much-needed financial and technical support, as well as potential additional business (Caribbean Journal, 2013, July). However, business cannot remain the same as usual at this struggling airline.

1.2.3.4 Stakeholder Perspectives

Stakeholder consultations related to the White Paper development (Strategic Solutions Inc., 2012), and those related to the TMP, gave rise to some significant areas for improvement of the Barbados airline product that may be achieved with public-private sector partnership commitment, and minimal financial resources. Highlights of these observations related to Airlift and negotiations with airlines, include:

- Regional airline service improvement required
- Air service from the USA and UK generally good
- Air service reduction from Puerto Rico
- Air service from Canada is a challenging flight time
- Need to establish a Social Partnership representative of the private and public sectors
- REDJet was not permitted to fly
- Airlift from Brazil was established without strong input from the business sector, missing produce and other cargo items
- LIAT has changed their baggage policy
- AA and BA curtailed interline agreements
- Airline flights from Dallas arrive late in the day, so customer essentially loses a vacation day
- GOL flights operate well, however the personnel are difficult to work with
- Cultural difference in Barbados is a challenge for Latin American tourists to Barbados
- Boston flight is a challenge for Barbados because the flight is very expensive to operate because Boston is not a hub
- Airline subsidy agreements should end in a year
- Decline in arrivals from the region both into Barbados and outbound tourists
- Airfare is a big issue in determining the destination, for visitors. Some say it is the cost of living in the island that is the problem; others say it is the airfare. But the overall cost is considered high
- Focus on enticing airlines to increase their flights from Europe, due to the potential market there
- Greater diversification of the tourism product needs to be communicated to airlines, for promotion, (Example: to GOL airlines)

A number of stakeholders have expressed interest in Barbados establishing a national/regional carrier, with the objective of becoming a primary airlift hub. There is certainly a rationale for these visions, key aspects including:

- Barbados' geographical advantage in relation to Brazil and various South American countries
- The potential to link North America, Europe and South America to the Caribbean
- The increase in visitors to Barbados, resulting in the growth of the Barbados Visitor Economy (VSE)

[1]The Bolivarian Alliance for the Peoples of Our America (*Alianza Bolivariana para los Pueblos de Nuestra América*, or ALBA) is an international cooperation organisation of the countries of Latin American and the Caribbean, associated with socialist and social democratic governments, and is an attempt at regional integration.

However, *Barbados would do well to consider in detail the recommendations of the World Bank's infrastructure and transportation experts*, particularly with respect to their recommendation # 2, which are summarized:

1. **Caribbean nations are advised to adopt a fully unrestrictive policy towards air services** provided that:

    - local airlines have a right to compete within the "community of interest" principle
    - adequate arrangements are put in place to ensure fair competition

2. **The public sector has rarely been able to run an airline efficiently and profitably**. Such airlines in the Caribbean are undercapitalized and are generally facing serious operational and financial problems, with consequent negative impact on the quality and reliability of regional services.

3. **Continuity of inter-island air services especially in the Eastern Caribbean is a legitimate concern**. But when there are subsidies to airlines for selected routes or services, these subsidies should be based on a competitive process, to ensure competition ***for*** the market, where competition ***in*** the market cannot be sustained.

4. **Effective policy and regulatory capacity is required**. Governments need the capability and know-how to effectively manage the opportunities created by competition for services. Caribbean nations should review and selectively strengthen public sector capacity to assure effective monitoring of air transport services and critically assess policy options and their impact on sector performance.

It is not to say that Barbados' development as a regional hub, and development of a regional carrier is out of the question, but the Government's relationship with such a carrier would need to improve considerably, as well as to be more hands-off.

Key requirements of continued LIAT involvement, or development of a regional carrier, would be:

- ***Adoption of clear and appropriate policies***, together with necessary actions to allow such airlines to compete, to become profitable and earn appropriate returns or else go out of business. There should be no open-ended, non-transparent and unpredictable government support for such airlines.
- ***A formal ownership agreement between (all) government/s and the airline board should be struck*** covering: target rates of return; lines of business; risk management policy; dividend policy; Board accountability to the government/s; and financial support from government necessary to implement the policy.
- Barbados should ***adopt appropriate policies in regard to public service obligations***that would be fundamental to the award of subsidies to airlines for selected routes and services on the basis of a competitive process. Such a policy should clearly establish: objectives; target beneficiary groups or communities; payment arrangements; and performance monitoring.
- A ***review of policy and regulatory capacity by the public sector***, to assure effective monitoring of air transport services, to critically assess policy options and their impact on sector performance, and to develop and sustain knowledge of air transport best practices.

1.2.4 Airport and Air Service Trends

1.2.4.1 Passenger Perspectives: the Mobile Revolution

An industry report identifies changing traveler attitudes to airline mobile services, and highlights the specific, emerging mobile technologies that are predicted to revolutionize each stage of the travel experience in the future (Travel Tech Consulting, 2011). The report found that:

- Travelers are beginning to expect and to adopt mobile services, including travel apps across their entire journey: from improving the airport experience, to booking and servicing, to checking in for their flight, and boarding pass issuance
- Asian and North American carriers have the greatest mobile functionality today
- Airline capability to effectively sell ancillary services through the mobile channel is more distant
- Implementing location-based services, payments and push notifications are priorities for airlines

These travel trends were predicted to impact the way travelers interact with the airline industry, as well as travel and tourism generally, and these have rapidly gained ground in a mere 2 years. The relationship that the connected traveler has with their mobile device and stages of their journey is illustrated in Figure A24.

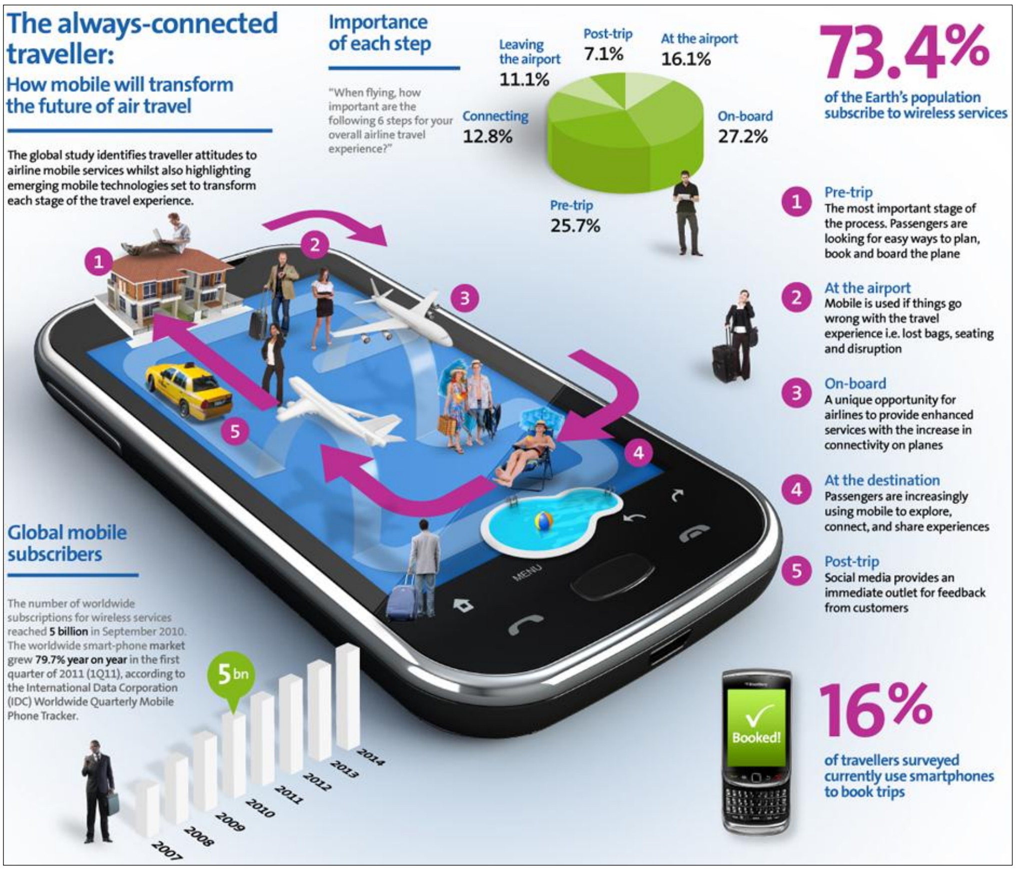


Figure A24. Impact of Mobile across the travel life cycle on a variety of devices (Travel Tech Consulting, 2011).

With increasing mobile reliance in business, the future of mobile technology in the airline industry is not only in travel apps, but also in the ability to track luggage, book ancillary services or just check-in. The airline industry and the travel and tourism industry, as well as Barbados as a destination, have the opportunity to learn from these findings and work to implement them, particularly since many such trends have been implemented already (see also Report IV, Section 1.0).

At a recent Airport Infrastructure Investors Forum, a SITA (a company that specializes in air transport communications and IT)representative said: "*Passengers want to* ***use self-service across multiple channels*** *- kiosk, web and mobile - meaning airlines and* ***airports can use self-service to enhance the airport experience****, particularly when facing capacity and infrastructure constraints*" (SITA, 2012, Dec.). They indicated that at São Paulo, the use of self-service check-in more than doubled in a year; from 14% to 35% (although the demand is much higher, and at some airports, recorded self-service check-in rates are 85%). It is not surprising that mobile services are popular at São Paulo, since 99% of passengers surveyed carried mobile phones, and just over half had smart phones.

SITA's report indicates that there is a huge geographic and demographic disparity in the use of non-agent check-in, such as kiosks, internet and mobile operations. In 2012, only 3% of all passengers used web-based or automated check-in services, but in some markets, the figure can be up to 90%, including in Brazil, where 88% of passengers wanted self-boarding opportunities (an increase of 66% in a year), and 86% wanted to use self-serve kiosks to transfer flights (65% increase) and 92% wanted to report lost bags at a kiosk. Compared with services available, there is a huge scope for growth in the area of self-service technologies via kiosk, web and mobile.

It is clear that today's passengers want more control throughout their journey, and expect transformation in both the kinds of services airlines and airports offer, and the way they communicate with them. At the same time, the industry is investing in business intelligence solutions and collaborating more to increase operational efficiency and improve customer service and loyalty. By the end of 2015, SITA is clear that the way we travel will have changed significantly. They identified trends set to shape air travel by 2015, *from a passenger perspective*, although these trends are relevant to the response by airlines and airports:

- **Buying behavior will have changed**. Both airlines and airports expect the web and the mobile phone to be the top two sales channels. Passengers are asking for a more personalized buying experience, and the industry is responding. There will be a strong airline and airport desire for revenue generation over smart phones (in addition to the passenger-generated demands for more functionality to remove the stress of travel), so personalization and context-sensitivity will be all-important (for instance, Alaska Airlines is one of several airlines with a travel app that alerts fliers to airfare deals from their hometowns and to cities where their friends live).

- **Passengers will take more control**. By 2015, 90% of airlines will offer mobile check-in; this will be up from 50% today. Passengers will use 2D boarding passes or contactless technology such as *Near Field Communications* (NFC) on their phones, at different stages of their journey, such as at boarding gates, fast-track security zones, and to access premium passenger lounges (example: Japan Airline's *Touch & Go Android* is an app which allows passengers to pass through boarding gates using their NFC-enabled phones, and France's Toulouse-Blagnac Airport is piloting a similar service). Self-service will be very important. So mobile app innovations like Apple's *Passbook* and the rise of NFC will combine with advances in baggage systems and automated gates, to streamline the travel process, and provide passengers with greater control over their journeys.

1.2.4.2 Airport / Airlines Perspectives: Increased Business Intelligence

A study was commissioned to explore the trends shaping the future of travel, and was focused on the challenges and opportunities that airlines and agents face. The report looked at potential new revenue opportunities and drivers of profitability, new models driving future growth and changing traveler tastes and preferences (Amadeus Oxford Economics, 2010).

A key input to the report was the contribution of expert interviewees, from major global airlines, travel industry experts, online travel agents, tour companies, and others from Amadeus itself. While the travel sector has experienced significant growth in the last decade, profitability remains stubbornly elusive for many airlines (and agents). Thus a central thread was an investigation into options available to airlines and agents as they seek growth and profitability. The findings are important business intelligence (BI) for airlines *and airports*, and the industry in general, and include:

1. **Ancillary services offer new opportunities but they may not be the silver bullet to revenue growth that many expect:**

- Ancillary revenue generation has spread from LCCs to major carriers and become an increasingly important source of revenue
- Unbundling fares can result in win-win situations (e.g. passengers willing to pay for improved food/seating privileges) and identifying these is key to maximizing the potential of ancillary services
- Though there are concerns that some ancillary revenue generation would displace agents (e.g. car and hotel bookings), it is more likely that the relationship will be one of co-operation. Agents themselves are exploring ancillary revenue sources such as advertising
- Considerable uncertainty exists about how relevant ancillary revenues will be in the long term, especially to major carriers

With estimates suggesting that ancillary revenues may contribute anything up to 35% of airline revenues in the future, the industry needs to fully understand where the opportunities lie.

2. **Airlines and agents must explore new models that take a more comprehensive view of the total travel experience:**

- Airlines may adopt a more comprehensive (or generic) approach to travel, and integrate activities more closely with the rest of the travel value chain. There may be potential to derive yield from alliances with other travel providers, from customers who are willing to pay for seamless travel and by taking closer account of customer preferences beyond the airline trip itself (e.g., cruise or land transportation).
- In general, there are significant opportunities for airlines (and agents) which could arise from the weak points in the current value chain, such as the disconnect between ground transportation and the flight.
- There is also some skepticism about the potential for such opportunities. Emerging market carriers may be more active in these areas than established carriers.
- Incorporating the potential of new technologies (such as smart phones) to the in-flight experience offers another source of revenue and a win-win situation, where customer preferences for food, ground transport and accommodation could be met in a much more efficient manner.

Passenger willingness to pay for a smooth travel experience seems to be a significant opportunity, with a variety of sources of value but one that has so far gone largely unexploited. New technologies offer the potential to access these sources of value by allowing airlines and agents to more closely tailor their products to match traveler preferences.

3. Traditional cabin classes likely to be replaced by "virtual classes", as individual traveler preferences create a personalized experience:

- The future of the aircraft cabin is set to go through significant changes as customers are able to share their preferences with airlines
- Airlines will be expected to meet their individual needs leading to the decline of traditional cabin classes

Compared with the services available, there is a huge scope for growth in the area of self-service technologies via kiosk, web and mobile. The industry has the potential to collaborate to increase operational efficiency and improve customer service and loyalty.

4. Customer services will become more mobile and social:

By 2015, SITA predicts that nine out of ten airlines and airports will provide flight updates using smart phone apps. The industry is also exploring apps to improve the customer experience (e.g. Japan's Narita Airport has roaming service employees who personalize the customer experience by using iPads to provide airport, flight and hotel information to passengers. Similarly, Edinburgh Airport is one of several airports with apps that help passengers plan their journeys to and from the airport, track their flights, access terminal maps and reserve parking spots before they arrive).

SITA found that passengers traveling with smart phones increased from 28% to 70% in a mere two years (2010 and 2012), and it is now more common for a passenger to have a smart phone with them than not (Lotta, 2013). Thus airlines have understood they need to develop their mobile capabilities. Some airlines already have mobile applications with broad functionalities. For example, Delta Airlines offers a mobile application that eases the travel experience for passengers at each stage of their journey. A few examples of their mobile application functionalities are shown in Table A5.

Table A5. Examples of the mobile application functionalities offered by Delta Airlines (Lotta, 2013).

<table>
<tr><th>Before Trip</th><th>At Airport</th><th>During Trip</th></tr>
<tr><td>Find, compare and book flights</td><td>View flight status</td><td>Check upgrade list status</td></tr>
<tr><td>View and plan trips</td><td>Domestic & int'l check-in</td><td>Save parking reminders</td></tr>
<tr><td rowspan="2">Check SkyMiles balance</td><td>View, change or upgrade seat</td><td rowspan="2">Rebook cancelled flights or missed connections</td></tr>
<tr><td>Add trip extras</td></tr>
</table>

Also, when looking at mobile application offerings for airlines in general, it is also now common for an airline to offer a mobile app for the most common smart phone platforms (iOS & Android). However, the functionalities that airlines offer in their applications can differ. It is now becoming a necessity for airlines to offer mobile applications with broad functionalities for passengers.

A recent SITA Summit in Brussels represented trends for mobile boarding and mobile sales as depicted in Figure A25 (Knierim, 2013).

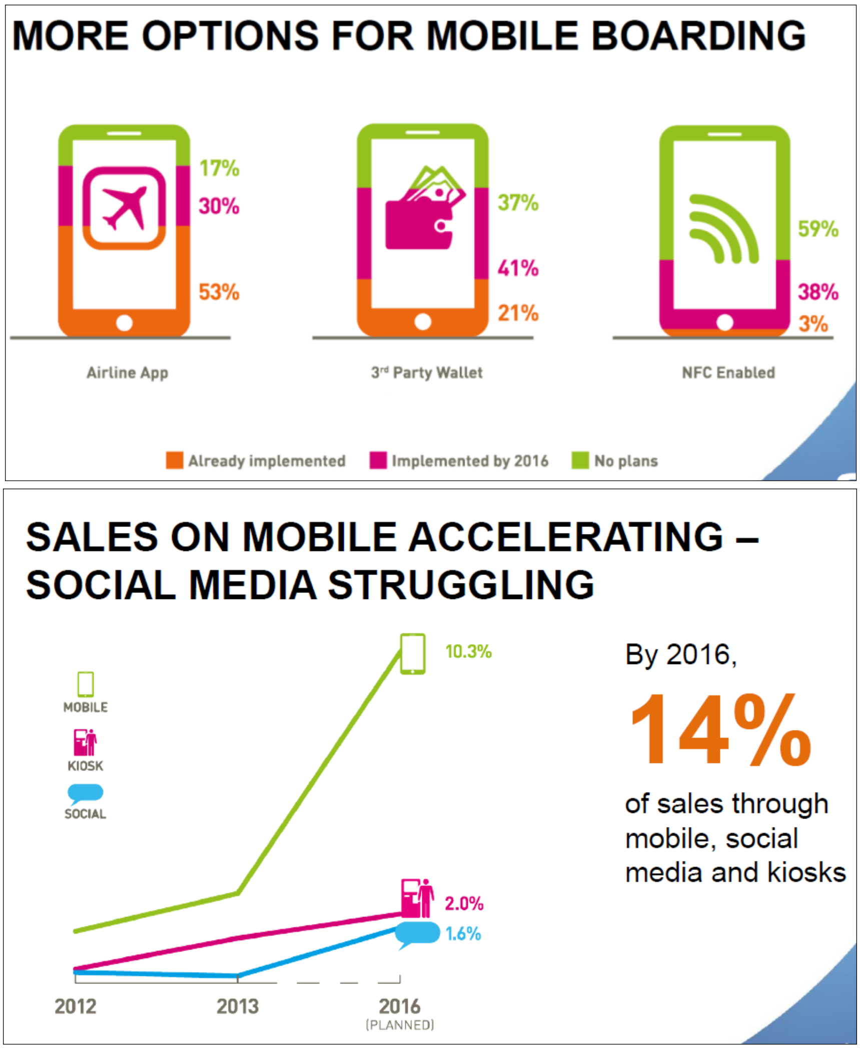


Figure A25. Trends for mobile boarding and mobile sales (Knierim, 2013).

5. Social media is rising in importance and receiving more attention from airlines:

Besides hugely increased mobile use across the travel experience, social media is increasing in importance (Lotta, 2013). SITA found that approximately 62% of passengers are already active on social media today. While many airlines are on social media networks today, the number of services they offer there are quite limited, such as customer service. In the future, SITA indicates that the most popular social media deployments will be related to: airline service promotions; real-time flight updates; and booking tickets.

Best Practice: KLM's Social Media Hub
Amsterdam-based KLM has a 40-person social media hub that provides support in 7 languages on a 24/7 basis. These social media efforts resulted in an explosion of popularity during the Icelandic volcano crisis of 2010. At that time, they received a large number of calls to their call centers like many other airlines. Although unable to respond to all requests via their call centre, they were able to use their Facebook and Twitter media (with the help of volunteers) to decrease call center volumes and answer requests, plus to provide flight status updates.

6. Better business intelligence will improve the passenger experience:

More than 80% of airports and airlines are expected to invest in business intelligence (BI) solutions by 2015. Most will focus on improving customer service and satisfaction, often through personalized services (e.g. the European airline, Vueling, researches customers via social media in an effort to understand them better. It then integrates this information into their BI programmes to improve loyalty). Higher quality business and customer intelligence are going to be essential.

Complementing and reinforcing the trends identified above, are SITA's most recent findings about the future of air travel by 2016, based on their surveys of airlines, airports and top 200 passenger carriers worldwide, including LCCs (SITA, 2013). The report predicts a 62% increase in the use of applications provided by third parties such as Apple Passbook and Samsung Wallet for check-in and boarding passes – currently only 21% of airlines use the technology, whereas 61% of airlines use their own check-in apps (Steinmetz, 2013, July). Today, 50% of all airlines offer flight search, ticketing, check-in and boarding passes via mobile technology. In the next three years, more than 60% of airlines intend to extend mobile functionality to include flight re-booking, lost bag reporting and bag status updates. In addition, 75% of the airlines are projected to move to electronic flight bags and automated cabin crew services by 2016. SITA's recent survey found the check-in trends as illustrated in Figure A26 (Knierim, 2013).

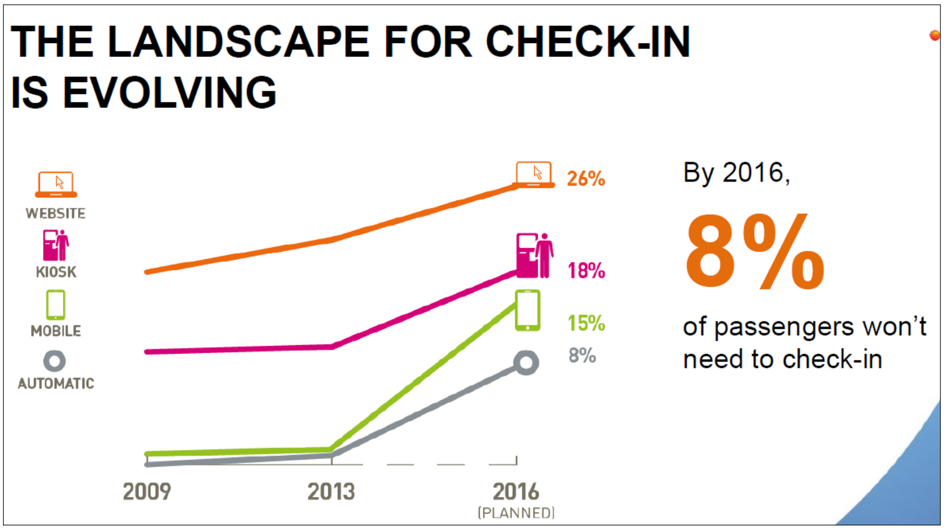


Figure A26.Check-in trends analysis by SITA (Knierim, 2013).

1.2.4.3 Airport Amenity Trends: Beyond Infrastructure

Airports around the world are introducing a greater number and variety of amenities in their terminals – both airside and landside, and nearby, to improve the passenger experience, earn greater loyalty and additional revenue, and even attract non-traveling locals. There are ever-earlier check-ins required, layovers and flight delays, so air travelers are spending more time in airports. Surveys of passengers find this is often the most dissatisfying, stressful or boring segment of their journey. Airport administrators are realizing that catering to this "captive" market can be economically beneficial, yet can create passenger satisfaction by offering more amenities and conveniences. While not all amenities generate revenue for airports, their collective contribution is positive. Non-aviation revenues now represent a significant portion of total airport revenue, and individual airports that become preferred hubs for travelers earn additional passenger facility charges that are built into airfares (LS3P Research, 2012).

Amenities are plentiful, and already range through a considerable spectrum of facilities, entertainments, services and other opportunities, for example:

Food and beverages: These may be much more than the usual airport fare, with local cuisine, health-focused options, fine dining, beer gardens or wine bars, supermarkets, vending machines to 'make your own', or gate-side e-orders.

Health and wellness facilities: Airports often have included massage stations, but there are increasing numbers of spas, exercise bikes (including those that recharge mobile devices), gyms, yoga and relaxation facilities, clinics, light therapy pods, pharmacies and the like .

Business and meeting facilities: These may include studios, or meeting services.

Technological facilities: All manner of equipment and facilities help the increasingly-independent and mobile traveler to access and connect, recharge, or navigate from parking lot to gate, and even from internet to baggage drop-off; also free Wi-Fi, charging stations, internet kiosks with iPads, and self-service technology for flight tracking, check-in, and boarding.

Lounges: These range from the conventional airport lounges associated with airlines or business class, to lounges open to all travelers on a fee basis.

Shopping and retail facilities: These may be travel related, duty-free, or the kinds of shops found in cities, but may also include luxury shops or those that are extensions of iconic attractions at destinations (such as museum shops).

Recreation, culture and entertainment: There are museums, art galleries and exhibit areas, aquariums, bike and other equipment rentals, children play areas, movie theatres, table tennis or other entertaining leisure activities, tours, walking trails, and even golf and more sophisticated recreation, live music and other entertainment.

Personal facilities and services: There may be showers, lockers, smoking areas, but also pet areas, hydration stations to refill water bottles, free morning coffee for early flights, or other facilities.

Travel assistance: This may include amenities such as digital signage, PA systems, and wayfinding. Or it may include virtual assistants to help passengers (e.g., hologram "Paige" at Washington Dulles, or "Carla" a video-projected assistant for passengers at Logan International's security, or the avatars at New York's 3 airports. Or they may be human assistance like identifiable welcome ambassadors, or staff with iPads.

Rest and relaxation: This can be all manner of amenities to make passengers feel comfortable and relaxed, including recliners and rockers, sleep suites, chapels or prayer rooms, gardens and parks and even forests, water features, libraries, digital movie kiosks, or observation desks.

General developments in the air travel industry, such as increased competition and decreasing profit margins are widely known. However, the digital developments in air travel are of special interest. There are three main trends (Lotta, 2013): 1) mobile is becoming a stronger and more important channel; 2) social media is rising in importance and receiving more attention from airlines; 3) self-service is becoming more prominent in certain areas of travel experience.

Given all the above trends, many of which overlap, plus the rapid pace of adoption and implementation in other airports, GAIA should be collaborating with, and facilitating the ability of passengers to use their mobile devices, to both navigate and enjoy their airport experiences. This is particularly appropriate while GAIA is in the midst of implementing plans and renovations. Barbados and GAIA would do well to look hard at bringing the strength of mobility and social media to new ways of providing customer services, since these are going to dominate passenger interactions for customer service. In addition, it should consider the introduction of new amenities planned to match its markets.

1.2.5 Grantley Adams International Airport

1.2.5.1 GAIA Services and Infrastructure

The Grantley Adams International Airport (GAIA) is the 9th busiest airport in the Caribbean, and has direct services to the US, Canada, South America, and Europe. It is a major gateway to the Eastern Caribbean, and a second hub for LIAT. It is also headquarters of the charter carrier Executive Air Limited, which provides high quality charter service to any Eastern Caribbean destination, and is home to Coconut Airways, a flight training school, which offers an opportunity for ICAO-recognized flying qualifications. GAIA has also been a hub for the now-defunct carriers (Caribbean Airways, and REDjet). The airport is also an important air-link for cruise lines departing from and arriving in Barbados.

GAIA underwent a government-funded multi-phase $100 million US upgrade and expansion (2002-2006). Phase I added taxiways, parking aprons, upgraded runways, and approach lighting. It also included Government acquisition of private land adjacent to the landing strip, to bring the airport into compliance with new international aviation regulations. Phase II is also complete, and included a new 70,000 sq. ft. Arrivals Hall adjacent to the terminal with 5 large baggage carousels, and a number of customs and immigration windows. The previous terminal was renovated into a departures facility, and in 2007, a 5,000 sq. ft. Club Caribbean Executive Lounge and Business Centre was opened on the mezzanine level as an added amenity for business travelers; it is used by special customers of several airlines.

This infrastructure should meet Barbados' needs until 2015 at least, but Phase III of the project is yet to be completed, and involves changes to the airplane parking configuration at the airport. The expansion is intended to add new airport terminal jetway gates, new larger departure lounges much closer to the planes, and air bridges to make connections at the airport much easier. Other expansion developments are also planned, including addition to the current taxiway, and renovations to bring the cargo facilities up to international standards.

The airport handles most large aircraft including Boeing 747s, and was one of the few global destinations where British Airways' Concorde aircraft made regularly scheduled flights, before being retired. The Concorde is now housed adjacent to the Airport, and offers an important potential attraction to airport visitors and travelers.

1.2.5.2 Stakeholder Perspectives on GAIA

The Grantley Adams International Airport Inc. (GAIA) commissioned a master plan for the airport (Jacobs Consultancy Canada Inc., 2011). It is not the intent of this report to duplicate this study, however, we summarize here the results of stakeholder consultations in general, and in subsequent sections we mention additional comments related to the arrival and departure experience of visitors:

- ***Air-sea transfer capacity***. During transfer days, peak period traffic of sea-air can be as high as 2,500 enplanements, in addition to the regularly scheduled air traffic. Total hold room occupancy can be as high as 4,000, versus a planned capacity of 1,600 (facility was planned and designed prior to the growth of air-sea transfers)
- ***Enlargement of the regional flights area***. This area was designed for the small aircraft serving Mustique, etcetera. The LIAT operation has overloaded the space
- ***Inbound bag delivery processing capacity***. The addition of x-ray units on the inbound bag belts has decreased processing capacity by as much as 66%. In addition, clearing any jams from basement space is problematic
- ***More delayed baggage storage*** and larger baggage service area
- ***Bag make up area redevelopment*** – improvements to lighting, weather protection, air quality, etcetera
- ***Rethink and optimise transfer baggage/transfer passenger*** process and facilities
- ***Protect terminal airside court*** and bus unload area from weather
- ***Eliminate cross flows/co-mingling of inbound/outbound traffic*** in airside court
- ***Car rentals*** relocation/enhancement
- ***Expansion of staff screening*** to two screening lines and an exit door
- ***Separate arriving passenger exit*** flow to taxis
- ***Reallocate ticket counters*** so UK flights are not all grouped together
- ***Washrooms in concessions*** to meet health requirements
- ***Need for a clear cut policy on the numbers of Fixed Base Operators (FBOs)*** and services to be provided (e.g., fuel, hangarage, aircraft parking and maintenance, pilot's lounge, passenger lounges, etc.). Too much proliferation will see numerous FBOs, none of whom are profitable or capable of providing complete service to the business jet community
- ***The tower cab is too small*** for current operations, requiring modification or new tower development
- ***Timing, policy and approach to loading bridges***. Air carriers are split on the need for loading bridges. Developing a limited number to serve carriers that want them will require commitments and a cost recovery approach that ensures that bridges are not used only on rainy days

These observations have been subsequently supported by other stakeholder consultations during the development of both the Tourism White Paper (Strategic Solutions Inc., 2012) and the TMP. Some of these more recent inputs have been grouped into categories as follows:

Airport management and flight scheduling

- Harmonization with the Barbados Tourism Authority, Customs, Immigration and GAIA Inc., in order to allow GAIA Inc. greater input in scheduling arriving and departing flights;
- Eliminate overtime pay for cargo shipments after 4:00 p.m.
- Maximize relationship with The Ministry of Civil Service to have maximum amount of Customs and Immigration agents during peak arrival and departure periods
- Facilitate the formation and establishment of an umbrella body representative of all private sector stakeholders and political parties, to achieve uniform buy-in and support of proposed TMP
- Negotiate removing restrictions from GOL to provide the ability to make cargo shipments from Brazil to Barbados

Visitor research, feedback, monitoring and inclusion

- Monitor and effectively manage high quality airport passenger/customer service,
- Build on multi-time visitors, with information available through records:
    - Improve the relationship with visitors to induce return visits, e.g. if they are multi-time visitors (e.g. 20+ visits), they could be allowed to use the citizens, residents, CARICOM nationals lane
    - Similarly, during foreign marketing tours, invite multi-time visitors (e.g. 50+ visits) to participate in various functions, to help promote Barbados, which would make them feel extra special
- Initiate and conduct effective market research prior to establishing new markets.

Passenger Arrival Experience

The Airport Master Plan stakeholder comments related to the visitor arrival experience include:

- ***Customs hours of operation and lack of service focus***, the issue not being tariffs but the appearance of putting labour interests before the economic interests of Barbados
- ***Inbound bag delivery processing capacity***. The addition of x-ray units on the inbound bag belts has decreased processing capacity by as much as 66%. In addition, clearing any jams from basement space is problematic
- ***More delayed baggage storage*** and larger baggage service area

Further stakeholder input on GAIA about the experience of those who arrive at GAIA came from the White Paper consultations and the TMP consultations. There was considerable concern about the welcome, processing, and ease of arrival of visitors. Arrival comments included:

Airport infrastructure, access, efficiency, and welcome

- The airport is only partially use-friendly for persons with disabilities:
    - Make the facility more wheelchair friendly as many persons with disabilities like to feel a sense of independence
    - Lower check-in desks
    - Enable wheelchair access to aircraft
    - Develop special licenses for taxi operators who have the ability to accommodate wheelchairs to work at the airport (and seaport)
- The visual welcome needs considerable improvement:

  - Display artwork prepared by tertiary school students to be strategically located in the GAIA arrival and departure halls
  - Display artwork and other art items produced by Barbados Community College (BCC) students as above
  - Display artwork and other items produced by local Barbadian artists as above
- The general ambiance of the airport needs improvement:
  - Music, a local band, school children singing, or greeters, could help with long waiting times
  - Provide greeters to distribute destination information to arriving passengers
- Airport informational signage needs improvement:
  - There is not a clearly marked exit sign in the arrival terminal
  - Provide welcome and baggage information signage at the airport arrival hall, baggage carousels, ticket counters, and parking area in English, Portuguese, German and Spanish
- Provide a continuous loop video in the arrival area to highlight Barbados tourism activities in the destination
- Waiting times vary significantly and often lines are very long. This alone, leaves a bad first impression. Thus the staff numbers, scheduling, and flight scheduling need to be coordinated better; particularly in the immigration hall (a wait as long as 1 hour 20 minutes was recorded). This is particularly onerous for long-haul travelers, who are the very markets Barbados wants to attract.
- Some people do not fill out their forms properly, and lengthen processing times:
  - Assistance in completing forms (both on the plane and at the airport) is required
  - The ED form should be reviewed for ease of understanding
- Technology is under-utilized at the airport :
  - This could be used for online completion of required airport forms
  - A cell broadcast for tourists to get a welcome message (for free)
  - Wireless credit card machines could be used (e.g. in taxis)
  - Digicel is willing to provide services, but they may be costly
  - Government has not given a clear indication of how it wishes to use technology
  - A GAIA representative has stated that it would be exciting to use more technology.

The above summarizes the experience of a multiplicity of Barbadian stakeholders regarding the needs at GAIA. They all require serious consideration. Many of the suggestions (and the experience of TMP consultants) relate to the lack of welcome at GAIA to inbound travelers, and addressing this is critical for first impressions, word of mouth, and to encourage repeat visits. If a passenger-based perspective is adopted, one can see *that* ***a number of elements related to visitor welcome needs to be addressed, whether related to staff attitude, scheduling, management, or facilities***. In addition, further ongoing research into visitor satisfaction and feedback is also recommended and desirable.

Passenger Departure Experience

The Airport Master Plan stakeholder comments relevant to the departure experience include:

- ***More landside food and beverage*** options
- ***Enhanced wayfinding*** for passengers

- ***Improvements to queuing area*** for the outbound immigration check
- ***Additional shops*** between gate 11 and gate 9, and increased shops in regional flight area (with enlarged area)
- ***Add more seating*** capacity in retail area
- ***Add vegetation indoors*** to create a tropical ambience in the hold-rooms, concession areas
- ***Visual paging (i.e. LED Boards)*** at gate and additional lighted signage at gates re: boarding
- ***Congestion at outbound immigration checks;*** which is another congestion and hassle point for passengers. Suggestions of using APIS data by Immigration, to intercept targeted individuals rather than all passengers. Immigration and Customs represents the first and only point of contact for tourists with the Barbados Government, thus Government agencies should provide a positive passenger experience and improve passenger facilitation to the maximum
- ***Airside food concession service levels***. Some are understaffed, leading to long lines and low levels of service
- ***Covered airstairs***, which carriers and others have been seeking for years

Stakeholder consultations for the development of the White Paper and TMP also generated comments on the departure experience (and some comments apply to both).

Airport passenger experience – Departure

- There is a long walk to the plane; an inconvenience that is exacerbated when it rains
- The airport craft shop needs to be expanded
- The use of the Concorde museum facilities needs better scheduling. For example, determining airline demand for use of the facilities should be examined, together with when visitors wish to experience the museum and Concorde.

Self-service is a trend that airports around the world are responding to quite visibly; self-service check-in machines are commonplace and self-service baggage drops are also being implemented. Self-service check-in by travelers between 2011 and 2012 increased from 55% to 68%, which suggests self-service check-ins are on the way to becoming the norm, rather than the exception. Airlines suggest that self-service will develop further in the future in three areas*: Unstaffed bag drops; self-boarding capabilities; and self-service transfer kiosks* (Lotta, 2013).

Already, KLM and Alaska Air allow passengers to print baggage tags in advance and drop them off at a self-service baggage drop at select airports. In addition to these self-serve opportunities, Qantas offers optional self-service boarding with either a frequent flyer card, or a 2D barcode that is sent to a passenger's mobile device. Airlines will offer more innovative self-service at airports in order to make the travel process as efficient and seamless as possible.

An airport's attractiveness in not merely based on its physical facilities and attributes. Today's traveler is increasingly seeking convenience, self-service, and attractions, all via digital and mobile devices. This extends beyond their relationship with airlines themselves, to airports. One example of an airport that responds to travelers' needs proactively is Frankfurt, Germany, where it exhibits best practices and innovation in visitor welcome, comfort and convenience (Frankfort Airport, 2013; Eturbo News, Jul 9, 2013). These are illustrated in the FigureA27. GAIA would do well to consider this aspect as it tackles Phase III of its development plans, particularly in terms of improving visitors' departure experience.

Innovative Airport Welcome: Frankfurt Airport's "*Create Your Stay*"

Frankfurt airport website has a downloadable *Transfer Guide*, which may be printed, so travelers feel comfortable with the airport layout, and has multiple tabs oriented to passenger services and enjoyment. It has an *Airport App* which is downloadable for free from the app store by scanning the QR code. With this App, passengers can easily get information about flights, shops or parking facilities on their way to and inside Frankfurt Airport.

It also invites travelers, via "*Create Your Stay*" to make the most of their visit or layover at the airport, asking first if they have 2, 4, or 6+ hours until their flight departs. They make suggestions based on these time frames. Visitors can simply click on the suggestions for more information on each, and a downloadable PDF file contains their personal travel itinerary for the airport stopover, or if they provide their emails, the airport will email passengers a personal airport agenda. Examples of opportunities are:

2 hours		4 hours	6+ hours
• Showers • Smoking lounges • Food and beverages • Children's playgrounds • Battery charging	• Prayer rooms • Wellness • Internet • Relax zone	• Luggage storage • Visitors' terrace • Airport tours • Hairdresser • Prayer rooms	• Flight simulator • Sightseeing in the city • Sightseeing in the surrounding area • Day rooms

This is part of the "*Great to Have You Here*" service programme that Frankfort airport launched about 2 years ago to make it easier, faster, and even more comfortable to fly in and out of the airport.

Figure A27. Best practice example at Frankfurt Airport (Frankfurt Airport, 2013).

By contrast, if one looks at GAIA airport's website (http://barbados.airport-authority.com/), there is very little information about soft services, navigation, conveniences, maps, etc. And there are a number of services that could be offered to provide passengers comfort and relaxation. ***Both the GAIA website and airport amenities need improvement***.

A global survey of more than 10,000 travelers by Skyscanner revealed the most desired airport facilities. Almost half of the travelers would like a cinema. This overwhelming response, as well as most of the other responses, makes is clear that entertainment (both active and passive) is a huge priority for travelers, and especially those travelling with children. By offering fun experiences at airports, waiting for the flight is less of a chore and more a part of the holiday. Already, some of these features have been introduced into international airports, and most of them are related to the departure experience (see Table A6).

Table A6. Top 10 most wanted "Dream Airport" features (Steinmetz, 2013, July 2).

1. Cinema - 49%	6. Kids play area - 21%
2. Sleep pod - 36%	7. Pool - 20%
3. Library - 32%	8. Gym - 15%
4. Park - 31%	9. Man-made beach - 12%
5. Vanity area - 30%	10. Bikes - 11%

Of note are the number of responses related to wellness and personal care: a vanity area, pool, gym, and bikes are all among the top 10 features. GAIA would do well to consider offering spa and salon facilities, and perhaps other amenities, which could offer economic benefits as well. Demographics are important for amenities – for example, the vanity area was of more interest to women (45%) than men (14%), while men have a greater preference for active entertainment.

A park (or green area) was also high in the preferences (almost 1/3 of respondents), and a green space is certainly the type of enhancement to GAIA that is eminently possible, as well as providing a change of environment and contributing to passengers' sense of relaxation and wellness. This also would resonate with visitors' ideas of a tropical island.

The new BA Concorde museum, over 90,000 sq. ft., is located on the old Spencers Plantation, and is part of the new airport grounds. BA granted the government of Barbados one of their retired Concorde aircraft, and this is now on permanent display in a dedicated hall. A private company submitted a museum and exhibition facility design to the Government and was enabled to implement it. Thus the "Concorde Experience' has a number of areas providing information on the aircraft. It is disappointing to some visitors, however, that the Concorde is not always available during its published museum hours, due to private events. This attraction should be available full time, and efforts to market its existence to departing or transferring passengers would increase the attractiveness of GAIA overall.

One airport that has incorporated mobile technologies is Toulouse-Blagnac Airport, France, and it exemplifies both leadership and best practices in responding to the increasingly connected passenger, with personalized attention, improved airport access, and quality of service. There, passengers can pass through the airport using only a mobile phone. The airport is the world's first to trial SIM-based Near Field Communication (NFC) to allow passengers to pass through all the airports controls and checks, using only their mobile phones. Their phones, with NFC technology, allow communication with other NFC-enabled devices in the airport, if they are very near the devices. This allows them access to car parking, airline lounges and boarding area, and at the same time passengers receive up to the minute information such as changes to flight times, departure hall or boarding gate.

This technology does not require passengers to launch an app or retrieve an SMS or an email, so overall a passenger with NFC-enabled device can be processed faster than any current boarding processes (SITA, 2012, May 22). Thus the airport benefits, with simplified and expedited passage through the airport, and the passengers benefit, through this personalized display opportunity, as well as the better management of their time and choices, as summarised in Table A7 (Aeroport Toulouse-Blagnac, 2013).

It is a good idea for GAIA to think about increasing its presence on social media and committing more full-time staff to these initiatives.

GAIA would be well advised to move from a utilitarian focus on processing passengers and baggage and addressing security requirements, to ***enhancing the passenger experience***. This is particularly so when it is still in the midst of implementing plans and renovations, and has the ability to improve visitors' first and last memories of Barbados, and to have potential economic benefits through concession revenues.

The amenities need to reflect Barbados' markets; including amenities can help terminal tenants to better distinguish themselves in the market and generate additional revenue. In addition, GAIA needs to consider that technology advances need to be accommodated now, and that there will continue to be advances in technology.

Table A7. Technology features at Toulouse Airport (Aeroport Toulouse-Blagnac, 2013).

Innovative Airport: Toulouse Airport's New NFC Technology and More

Toulouse-Blagnac airport installed the first Near Field Communication (NFC) technology throughout, which provides a variety of benefits to passengers:

Technology Improvements

Quicker, calmer access to the boarding area: waiting times at security checkpoints are displayed on screens in the terminal, shuttles to car parks, entrances, and car parks. Also, the number of security checkpoints was increased, with dedicated priority lands.

Connected airport with new IT: passengers with smartphone, laptop, or tablets, may use NFC technology to give access to many practical services, due to short-wave wireless connections. There are plans to enable passengers to pass their mobile phones over a scanner to improve passage further. Also, free, unlimited Wi-Fi is very much appreciated by travelers.

Personalised attention for all passengers

Smiles and fun: the airport organized 'have fun!' campaigns for the busiest travel periods, including activities for children, a reading corner, flash mobs, music interludes, toys, workshops, etc., to make airport travel more pleasant.

Art at the airport: the waiting areas were brightened by local artwork. Exhibitions are periodically changed. And an *ArtLounge* was created – a cultural area in the boarding area, in partnership with the Toulouse Art Museum.

New work, food and shopping areas: working areas were set up in the public hall as well as waiting area halls, to enable passengers to make the most of their waiting time. New commercial outlets have also been added

Family area: one of the public area departure halls has an area just for families, with several fun zones or soft play areas, split up by age suitability. This includes cartoon TVs, a play structure for physical activity before flights, and a touch-screen wall with tablets for video games for older youth. The airport plans to add identical play areas in the boarding halls.

New Quality of Service

New passenger surveys: the airport feels it's important to measure and improve passenger satisfaction, so has hired an external company to survey passengers once a year, as well as a passenger survey on departure. The airport openly displays findings, and areas with room for improvement

Improved Airport Access

Internet parking reservations: Passengers can reserve car park space from home on the airport website. This carpark, Res@P3, has 400 spaces for up to 5 days, near the airport.

Overhauled express parking: short-stay parking offers new services to improve traffic movement and flow at peak times. The new system of reading registration plates (which allows barriers to open automatically for motorists parked <10 minutes, or those who have pre-paid) speeds up departure of vehicles and since then, car park has never been swamped.

1.2.6 Actions Recommended to Enhance Airlift Capacity

Actions recommended to enhance Airlift capacity are in support of Strategic Imperative 4 on '**Develop Airlift Capacity**' and corresponding Strategy 4.1 which states: "*Increase airlift capacity from traditional source markets and new origin markets, and improve the visitor experience at the Grantley Adams International Airport*".

These Actions are not intended to fully repeat or replace the many findings of the studies, and results, reported above. The findings need to be independently assessed, action plans developed to address the identified areas of concern, and implementation to occur. Many of the potential implementation measures that arise are the responsibility of the airlines, or can be achieved in partnership with GAIA.

4.1-1 Obtain Category 1 Status for GAIA

Description:

Obtain Category 1 status under the International Air Safety Assessment (IASA) Audit Programme. Complete the "open skies" air services agreement with the USA, which is currently being provisionally applied. In addition, it will be necessary for GAIA to enhance its customer service and update training for Security, Immigration, Customs, and other relevant areas.

Expected Outcomes:

- One of the most significant events affecting recent tourism development in the Caribbean has been 9/11 and its aftermath. Obtaining Category 1 status will greatly enhance the perception of Barbados as a safe destination, and increase its attractiveness for airlines
- Air safety and security are thus to be seen as paramount for consolidating the position of the sector and are particularly important for securing the U S market.
- In this regard, the ultimate objective for Barbados is obtaining Category 1 status under the International Air Safety Assessment (IASA) Programme which is managed by the Federal Aviation Administration (FAA)
- Category 1status confers a range of benefits to the countries concerned, in addition to the likely effect of increasing marketability through a safety "seal of approval", this including the opportunity to "code share" with U S airlines
- Air fares to countries with Open Skies policy tend to be lower than those with restrictive agreements

Guidelines for Implementation:

- Finalise the requirements to obtain Category 1 status, and implement
- Make application to the International Air Transport Association
- Government provide funds/resources necessary to meet Category 1 status, and to file application

Challenges With Implementation:

- Several airlines are in financial difficulties, while the majority of aviation operators in the region are not recognized by the International Air Transport Association (IATA)
- Out of over 100 airlines, charter firms and helicopter operators working in the Caribbean, only four are recognized by the IATA: Air Jamaica, Caribbean Airways, Cubana and Surinam Airways.
- Barbados' GAIA is not Category 1 certified, providing challenges for a National Airline
- Finding the funds required to meet the GAIA improvements for Category 1 status

Recommended Implementation Agency:

Ministry of Tourism and International Transport in collaboration with Civil Aviation Department

Priority / Implementation Timeframe:

High/Short Term: This is viewed as an **urgent** priority action in the TMP Implementation Plan (refer Report I, Section 5.0)

Target Users:

- All associated with international transport in Barbados
- Other countries in the region who link to Barbados airlift

Who Benefits:

- All associated with your transport in Barbados
- Regional passengers
- The Barbados Visitor Economy (BVE)

Risks:

Funds not available

Estimated Costs:

About BDS$1.3 million supplementary for the strengthening of security at the airport for Category 1

Source of Funds:

IADB providing US$456,000 in grants and the Barbados Government responsible for the balance

Revenue Generation Potential:

Substantial if the efforts to develop new source markets are successful

Further Development Work Required:

- GOB and GAIA deciding to aggressively pursue Category 1 status
- Provide a budget and time schedule for obtaining Category 1 status

Other Considerations:

4.1-2 Construct Air Bridges at GAIA

Description:

Arriving or departing from GAIA is often a difficult experience because of the lack of air bridges. It is especially difficult for the elderly, the disabled, passengers with children, and passengers with heavy luggage. It is also difficult in times of bad weather, or when it is very hot. This is all part of the negative visitor welcome. Action 4.1-2 simply involves the construction of air bridges, without necessitating major structural changes to the airport.

Expected Outcomes:

- A more modern airport similar to others found in other major Caribbean countries and throughout the world
- A vastly improved visitor reception
- Happier airline passengers

Guidelines for Implementation:

- Retain a company to design and cost the air bridges
- Construct the air bridges

Challenges With Implementation:

- Having relevant authorities recognize this as a priority
- Incorporating air bridges design into the current structure of GAIA without necessitating major structural changes
- Arriving at a cost-effective design
- Finding sufficient funds for implementation

Recommended Implementation Agency:

- Ministry of Tourism and International Transport
- GAIA
- Ministry of Finance

Priority / Implementation Timeframe:

High/Short term: This action rates high priority and should be implemented as soon as possible

Target Users:

All users of GAIA

Who Benefits:

- All users of GAIA
- The business sector
- The Barbados Visitor Economy (BVE)

Risks:

- Not coming up with a suitable design
- Insufficient funds

Estimated Costs:

About BDS$3 million (needs confirmation in the design process)

Source of Funds:

- Government of Barbados
- GAIA
- Airlines
- Passengers through airport fees

Revenue Generation Potential:

Substantial through a better visitor welcome

Further Development Work Required:

- Recognizing this as a priority project
- Finding the necessary funds
- Retaining a design build company/ies

Other Considerations:

4.1-3 Develop Barbados as a Primary Airlift Regional Hub

Description:

To develop an effective strategy at the regional level that will encourage sustained expansion of regional airlift tourism in the area, with Barbados as its primary hub. With Barbados as a primary hub for existing airlines or new airlines, more passengers will have to feed into GAIA, thereby encouraging some to spend a few days in Barbados. This should include the formation of a regional airline association

- Explore the possibility of developing air transport agreements, to position Barbados with CARICOM neighbors to serve as a regional hub. Barbados is party to the Multilateral Agreement Concerning the Operation of Air Services within the Caribbean Community. The Agreement entered into force on November 17, 1998, and seeks to create an air transport regulatory framework among CARICOM states that would provide for a more liberal and transparent exchange of intra-community route rights by CARICOM Governments for airlines owned and controlled by CARICOM nationals. This Agreement is currently under revision. Areas of consideration include the definition of an essential air service and provisions regarding public service obligations and subsidies.

Expected Outcomes:

- Barbados has a geographical advantage in relation to Brazil and some other South American countries such as Argentina to be a regional hub which can lead to increased tourism
- Brazil is growing as a source market for airline passenger tourists as a result of GOL flights from Brazil to Barbados and will yield additional passengers and potential for cargo
- The Governments approach to safeguarding current airlift should be through the continued enhancement of the cost-effectiveness and the efficiency of hub operations. The vision in the long-term is to become the major regional airport hub, linking North America and Europe not only to the Caribbean, but to more destinations in Central and South America
- Increased air transport to Barbados
- More visitors to Barbados, resulting in growth of the Barbados Visitor Economy (BVE)

Guidelines for Implementation:

- Recognize that investing in airlift is not the sole responsibility of the Government; it is the role of all stakeholders in the sector. Both the public and private sector must play a role in this exercise to reap optimum success
- The government to explore with existing airlines, and potential new airlines, the possibility of having Barbados play a significant role as a regional hub
- The government explores the possibility of developing air transport agreements, to position Barbados with CARICOM neighbors to serve as the official regional hub

Challenges With Implementation:

- The airline industry across the Caribbean is experiencing some problems, which will be exacerbated if there is a decrease in tourist arrivals;
- A common aviation policy is lacking, preventing the industry from working effectively together to support economic and tourism development in the region;
- The Government of Barbados and other regional Governments, are not always in agreement with the management of LIAT, which could result in difficult regional cooperation for more flights with Barbados as the hub;
- Several attempts to merge the many airlines into one regional grouping have failed over the years, mainly due to the question of governments wishing to maintain their own flag carrier as a symbol of national pride;
- In terms of its two traditional main markets, North America and the UK, Barbados is at a geographical disadvantage when compared to Jamaica and The Bahamas ;
- Caribbean tourism has been down annually since the demise of Caribbean Star;
- The general common thread regarding Barbados airlift is that there is not significant supply and competition for the generation of inbound and outbound regional tourism to and from the destination;
- Gaining support in the region for the formation of a suitable and effective regional airline association to promote the region to a wider audience will be difficult;
- LIAT has been operating and is positioned as a regional carrier with 100 flights per day throughout the Caribbean region, however it is unable to feed itself effectively;
- The LIAT baggage policy has affected BA and AA and those carriers have stopped interline agreements;
- Air access base cost at GAIA is less competitive when compared with other competitive Caribbean destinations;
- Funding the start-up costs of the Regional Airline Association is a major challenge.

Recommended Implementation Agency:

- Ministry of Tourism And International Transport finalize the implementation of a National Airline and new source markets in the Caribbean and South America and North America
- In relation to the formation of a Southern Caribbean Regional Airline Association, the Ministry of Tourism and International Transport should take the lead on this with the full support of GAIA

Priority / Implementation Timeframe:

High/Short term: This action rates high priority and should be implemented as soon as possible

Target Users:

- Relevant regional ministries, agencies, tourist authorities, chambers of commerce, airport authorities and other interested parties
- Airline passengers

Who Benefits:

- The beneficiaries will be other islands in the region together with the residents of Barbados, businesses in all sectors, and government through increased revenues from regional tourism
- Other islands in the region together with the residents of Barbados, businesses in all sectors, and government through increased revenues from international tourism
- Airline passengers
- Businesses in Barbados

Risks:
- Countries in the region changing their policies and approaches after Barbados has begun to serve as a regional hub
- Agencies and ministries fighting over jurisdiction over the formation of the new association
- Funds not available for start-up of the association

Estimated Costs:

About BDS$100,000 for formation of the Airline Association

Source of Funds:
- Government of Barbados
- After formation, the association should be self-funding from fees obtained from members and associates
- Consideration should be given for the provision of selected support funding for such activities as regional promotion. This should be shared at regional level through an agreed funding formula

Revenue Generation Potential:
Substantial due to increased passenger movements through Barbados, with stopovers in the country

Further Development Work Required:
- Hold a regional seminar to establish the level of regional support for the concept of a Southern Caribbean Airline Association
- Gain agreement and develop a plan to establish the new association
- Provide a budget and time schedule for the establishment of the new association
- Enact implementation of the association

Other Considerations:
- For the past 10 years, U.S. airlines saw more than $50 billion in losses. It was only in the past two years that they have begun to see profits, albeit meager profit levels. These earnings underscore the need for a U.S. National Airline Policy, which would help rationalize the industries regulatory and tax environment, modernize and reform infrastructure, mitigate jet-fuel costs and price volatility, and ensure that U.S. airlines can compete globally.
- Annually, commercial aviation helps drive more than $1 trillion in U.S. economic activity and more than 10 million U.S. jobs. Airlines for America (A4A) airline members and their affiliates transport more than 90 percent of all U.S. airline passenger and cargo traffic
- Further significant deterioration of the U.S. airline industry can result in less flights to the Caribbean, due to increased unemployment within the U.S., and less tourists into the Caribbean
- Rising fuel prices are clearly a concern for the industry again this year. Although these are U.S. issues, there is a direct effect on tourism from the U.S. to the Caribbean and Barbados

4.1-4 Establish a Regional Carrier

Description:

Encourage development of a new or existing airline which designates Barbados as its hub, and which becomes designated as the national carrier of the country.

- Secure commitment from government and private sector stakeholders to implement a partnership with an airline that will designate and establish Barbados as its primary hub. Under the majority of its bilateral air services agreements, a Barbados designated carrier must be substantially owned and effectively controlled by the Government of Barbados or its nationals, or both, in order to operate into the territory of the other Contracting Party to the air services agreement. The Community of Interest Principle* is a recommendation of the ICAO and States to exercise this Principle at their discretion and generally do not include this Principle in their bilateral air services agreements

**The Community of Interest Principle calls upon Contracting States of ICAO to accept the designation of an airline of a developing State or States which is substantially owned and effectively controlled by another developing State or its nationals within the same economic and regional grouping, to exercise route and other air transport rights on behalf of the designating State.*

Expected Outcomes:

- While REDjet operated, there was a noticeable increase in regional tourism to Barbados. A new airline with Barbados as the designated hub has the potential of substantially increasing regional tourism, but it needs Government to be on its side
- Barbados has a geographical advantage in relation to Brazil and some other South American countries such as Argentina, which can lead to increased tourism
- Brazil is growing as a source market for airline passenger tourists as a result of GOL flights from Brazil to Barbados, and will yield additional passengers and potential for cargo
- Increased numbers of passengers coming through and to Barbados
- Pride in having a designated national carrier
- Growth of the BVE

Guidelines for Implementation:

- Secure commitment from government and private sector stakeholders to implement a partnership with an airline that will designate and establish Barbados as a hub
- This could be done through the creation of the new airline, or an existing airline, possibly developing a separate brand under which to operate
- Approach an existing airline to explore the possibility of them designating a new brand or subsidiary as the airline of Barbados
- Approach private sector parties who have expressed an interest in beginning a new airline to see if they might establish it with Barbados as the hub
- Investing in airlift is not the sole responsibility of the Government; it is the role of all stakeholders in the sector. Both the public and private sector must play a role in this exercise to reap optimum success

Challenges With Implementation:

- REDJet is no longer an option at this time, since the company has gone out of business, but the experience remains negative. The experience of REDjet might have left a negative taste for beginning a new Barbados-designated airline
- The Government of Barbados, and other regional Governments are not always in agreement

with the management of LIAT, and like to micro-manage, which could result in difficult regional cooperation for the establishment of a new airline or an existing one designating Barbados as its primary hub
- The airline industry across the Caribbean is experiencing some problems, which will be exacerbated if there is a decrease in tourist arrivals
- Several airlines are in financial difficulties, and the majority of aviation operators in the region are not recognized by the International Air Transport Association (IATA)
- Out of over 100 airlines, charter firms, and helicopter operators working in the Caribbean, only four are recognized by the IATA: Air Jamaica, Caribbean Airways, Cubana and Surinam Airways
- Several attempts to merge the many airlines into one regional grouping have failed over the years, mainly due to the question of governments wishing to maintain their own flag carrier as a symbol of national pride
- In terms of its two traditional main markets, North America and the UK, Barbados is at a geographical disadvantage when compared to Jamaica and The Bahamas
- The general common thread regarding Barbados airlift is that there is not significant supply and competition for the generation of inbound and outbound regional tourism to and from the destination
- Harmonization of airlift with a National Carrier feeding a regional carrier is required

Recommended Implementation Agency:
- The Ministry of Tourism and International Transport should explore the implementation of a National Airline and new source markets in the Caribbean and South America and North America
- Existing airlines
- Potential new startups

Priority / Implementation Timeframe:
High/Short term: This action rates high priority and should be implemented as soon as possible

Target Users:
- All airline passengers
- Governments
- Private sector

Who Benefits:
- All airline passengers
- Government of Barbados
- Private sector
- Other countries in the region

Risks:
- The commercial case for a National Airline and a specified Regional Carrier in Barbados has not been effectively made, to finalize financing and route rights for a national airline to operate and develop these new market opportunities
- Private sector funds required for to start up with the new airline
- Funds for government support
- Not being able to harmonize airlift with a National Carrier feeding a national carrier

Estimated Costs:
Dependent on the potential airline and the support requirements

Source of Funds:
- Private sector
- Government of Barbados

Revenue Generation Potential:
Substantial if the efforts to develop new source markets along with the new airline are successful

Further Development Work Required:
- Enlist public and private sector support and develop and implement action plans to develop new source markets
- Approach existing airlines and potential private sector partners interested in this

Other Considerations:

4.1-5 Improve the Meet and Greet at GAIA

Description:

The arrivals reception at GAIA is known to be poor. Arriving passengers are not welcomed in a warm friendly Barbados manner/atmosphere. The Arrivals Hall is the start, with the arrival of many large international carriers in close time proximity, and the lineups can be very long with a correspondingly long waiting time. Too often, the reception given by the immigration officers is not welcoming, and officers may be quite surly. Action 4.1-5 aims to determine and focus on the reasons and how these can be mitigated, so, passengers on arrival feel welcomed, and have a true sense of arriving at a holiday destination they have selected. Some of the things that can be done to improve the reception include the following:

- Live music in the arrivals hall featuring local band with local music
- Wall murals painted by local artists depicting Barbados places and people
- More customs and immigration officers at busy times
- Implementation of the Host Programme, focusing on the officers providing a real Barbadian welcome

Expected Outcomes:

- International visitors to Barbados having an immediate sense of a true Barbados holiday welcome
- Visitors receiving a very favorable first impression about the holiday destination they have selected
- A sense of relief after a long stressful journey

Guidelines for Implementation:

- Implement the host programme
- Design a promotion programme encouraging local artists to paint murals
- Design a schedule for local bands to perform in the Arrivals Hall
- Employ more officers for busy periods

Challenges With Implementation:

- The relevant authorities recognizing that this is important and will confer substantial benefits
- Local artists accepting the challenge to voluntarily paint murals
- Finding the limited funds required for this
- Changing the mindset of the officers

Recommended Implementation Agency: • Ministry of Tourism and International Transport • GAIA
Priority / Implementation Timeframe: High/Short term: This action rates high priority and should be implemented as soon as possible
Target Users: All users of GAIA
Who Benefits: • All users of GAIA • The Barbados business sector • The Barbados Visitor Economy (BVE)
Risks: • Following implementation of the Host Programme, the officers may return to an attitude of complacency • Not having sustained funding for employment of additional officers, or for maintaining Host Programme training
Estimated Costs: • About BDS$50,000 for canvas and art supplies • About BDS$150,000/year for musicians • AboutBDS$500,000/year for extra officers (some of this may be found in existing budgets to reallocation of work schedules)
Source of Funds: • Government of Barbados • GAIA
Revenue Generation Potential: Substantial in that it provides a more positive experience for visitors encouraging them to return and to spend more
Further Development Work Required: • Obtaining the necessary funds • Preparing a hosting plan for GAIA
Other Considerations: Linkages with Cultural and Performing Arts; Marketing, ICTs and New Media

1.3 Cruise Tourism

Summary

In Section 1.3.1, an overview of the global cruise industry is provided which covers the key aspects of the business of cruise tourism. This work is comprised of six different sub-sections.

The cruise industry structure is examined in Section 1.3.1.1. It is clear from this work that the cruise industry is dominated by three major groups: Carnival, Royal Caribbean, and the Apollo Group, which between them offer over 20 different brands. All three groups are active in the Caribbean region.

The current market position is examined in sub-section 1.3.1.2.

As shown in Section 1.3.1.3, the supply side is a critical element of the cruise market, which tends to be supply-driven rather than being driven by derived demand.

Levels of investment are examined in Section 1.3.1.4.

The outlook for the industry to 2018 is considered in Section 1.3.1.5. The cruise industry enjoyed strong growth from 2003 to 2006 but from 2007 to 2009 it was more uneven.

An assessment of the current supply demand balance is provided in Section 1.3.1.6. These projections are based on the known supply and demand data at the end of 2012.

The Caribbean cruise market is studied in Section 1.3.1.7. The Caribbean is the natural cruising ground for North Americans, and is the only area in the world that offers year-round cruising. It also remains the most popular cruising region.

Section 1.3.2 examines Barbados and the Caribbean cruise market.

The UK remains the primary source market for Barbados. Demand from the UK has been weakened by the sharp increases in air passenger duty (APD) in 2007. These are set to fall in April 2015.

Cruise activity in the Caribbean is dominated by the deployment of substantial numbers of very large cruise ships with a capacity of 2,500 passengers or more, so for ports to succeed in this market, it is important to provide suitable facilities for these ships.

Barbados is presently securing a large share of the German sourced cruise tourists. There could be good opportunities for Barbados to source visitors from other parts of Europe as well.

In Section 1.3.2.3, the existing cruise facilities in Bridgetown are evaluated.

The Port wants to separate cargo operations from cruise operations. It also wants to see the port develop as a cruise 'hub' in the Southern Caribbean and increase the economic benefits gained by Barbados from cruise tourism.

The analysis concludes that post-Panamax ships will dominate the cruise market in the future and that there is a strong case for Barbados to develop facilities that can handle these ultra-large ships. This will require the provision of larger berths than those that are presently available at the port of Bridgetown, together with suitable supporting infrastructure.

This need has been recognized by the Government of Barbados, and in September 2012, the Sugar Point Cruise Development was officially launched by the then Ministry of International Business and International Transport.

A SWOT analysis is provided in sub-section 1.3.2.7.

Recommended Actions

Strategies and actions developed from the results of research into cruise tourism, and the role of Barbados, are presented in Section 1.3.3.Sevenof the recommended actions (i.e. Actions 7.1-1 and 7.1-4 to 7.1-9) are designed to enhance the offer that is made in Barbados to visiting cruise tourists and to crew members.

With Grantley Adams International Airport and its easterly location, Barbados can act as a hub for fly-cruise operations out of Europe. How far a cruise ship can travel on a seven day closed jaw cruise from Barbados at 16 knots is the primary area of influence. Thus, it should be beneficial for those ports in this area to have arrangements that enable them to promote the region to the cruise industry. The proposal for setting up such an organization is recommended in Action 7.1-2. Since this proposal, the Southern Caribbean Cruise Alliance has been established in October 2013.

Marketing and promotion of Barbados in North America and the UK should continue. Tourist arrivals in Barbados from Germany and other parts of Europe are increasing. This represents a major opportunity for Barbados that should be built on. Cruise tourism in Brazil and to a lesser extent Argentina is also growing rapidly, but is confined to a relatively short season similar to the high season in the Caribbean. It should be possible to extend the season by encouraging Brazilians to cruise from Barbados. Action 7.1-3 is recommended to address these marketing opportunities.

The strategies and actions developed for Cruise Tourism address policy statements in the White Paper (Strategic Solutions Inc., 2012, p. 250) relative to cruise and maritime transportation that include:

> "*Continuously improve and provide quality product offerings and exciting, memorable touring experiences with the object of increasing the disembarkation ratio and customer satisfaction index that should result in repeat visitation and increased cruise passenger spend*"; and
>
> "*Upgrade cruise ship infrastructure and services provided to meet international standards and market demand*".

The actions recommended are in support of Strategic Imperative 7 on '**Enhance the Cruise Tourism Product and Experiences**' and corresponding Strategy 7.1 which states: "*Improve infrastructure, products and services for the cruise tourism sector and develop new source markets*". The actions are summarized below and more fully described in Section 1.3.3.6.

7.1-1 Improve Experience of Cruise Tourists at the Port and in the Terminal

Improve the walk and shopping offer for cruise tourists traveling from and returning to the port via the cruise terminal to ensure they have a first class experience that meets or exceeds international best practice.

7.1-2 Formation **of a Southern Caribbean Cruise Association**

Develop a new organization, preferably headquartered in Barbados, to coordinate the regional development of cruise tourism with Barbados as the hub. This would improve the experience and satisfaction levels of cruise tourists to the region and encourage further growth of the sector.

7.1-3 Develop New Source Markets in Europe and South America

Develop new markets in Germany and other selected North European countries, primarily German speaking ones such as Austria, Luxembourg, and Switzerland. Encourage the relocation of cruise vessels from Brazil to Barbados during Barbados' summer months and market to Brazilians and other South American countries.

7.1-4 Improve Experience of Cruise Tourists Going into Bridgetown

Improve the walk and shopping offer for cruise tourists traveling independently from the cruise terminal into Bridgetown to Pelican Village, Cheapside Market and Broad Street, and areas around the City Centre.

7.1-5 Marketing the UNESCO World Heritage Site

To increase cruise tourists visiting the island through the marketing of the UNESCO World Heritage Property as a unique selling point for Barbados' cruise tourism.

7.1-6 Improve On-Island Attractions

Improving attractions on the island is vitally important to the cruise tourism sector.

7.1-7 Passenger and Crew Purchasing Incentives

Provide purchase incentives through discounts and the refund of local taxation on goods purchased in Barbados for products to be brought back home.

7.1-8 Introduction of Security Tamper-Evident Bags

International Civil Aviation security tamper-evident bags that are used in other countries to transport products such as alcohol would greatly increase the sale of liquid products such as rum for the many travelers who have multi-flight journeys back home.

7.1-9 Support Plans for New Cruise Berths at Sugar Point

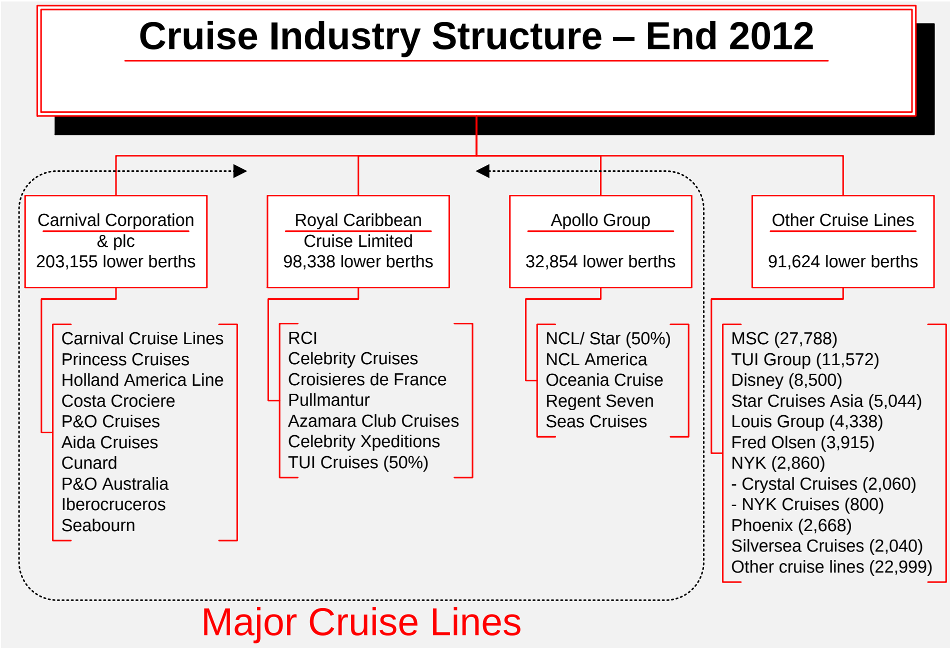
This ongoing project in the design phase is worthy of support due to the critical requirement for new berths.

Many strategies and actions recommended in other parts of the TMP relate directly to cruise tourism. For example, those which address improving the visitor experience and the movement of people around the island will result in enhanced cruise passenger visitor experiences, thereby encouraging them to spend more money, talk positively to others about their experience, and ultimately make repeat visits to Barbados.

1.3.1 Overview of the Global Cruise Market

1.3.1.1 Cruise Industry Structure

Although the global cruise industry is characterized by numerous varying brands, as can be seen from Figure C1, it is actually dominated by three major groups, Carnival, Royal Caribbean and the Apollo Group, which among them offer over 20 different brands. All three groups are active in the Caribbean region.



Note: 50% of NCL is owned by the Apollo Group (Apollo 37.5%/ TPG 12.5%), which also owns Regent and Oceania, and 50% by Star Cruises (Genting Hong Kong Ltd.). TUI Cruises is a joint venture between RCCL and TUI, which also operates Hapag-Lloyd and, through its UK arm, Thomson.

Figure C1. Structure of the Cruise Industry – end 2012 (G.P. Wild (International) Limited).

The worldwide cruise market, as illustrated in Figure C1 and set out in more detail in Table C1, is currently dominated by Carnival Corporation & plc, created in 2003 by the merger Carnival Corporation (previously the largest cruise group) and, P&O Princess plc (the third largest line).This group currently accounts for around 48% of oceanic cruise capacity.

Ranked second, Royal Caribbean Cruise Limited accounts for just over 23% of capacity, with the third major cruise line, Apollo Group, accounting for around 8% of the capacity deployed in the market. In combination, these three groups thus provide almost 80% of global ocean-going cruise capacity. The next largest player, MSC, accounts for 7% of cruise industry capacity.

Table C1. Active Oceanic Cruise Fleet Summary by Group: Mid-2013.

Group	Vessel Numbers	Gross Tonnage	Pax Capacity (LB)	Crew
Acromas Travel (Saga)	3	80,095	1,807	1,046
All Leisure Group	4	49,972	1,656	782
Apollo Management (Prestige Cruise Holdings)	7	315,222	5,786	3,539
Apollo/ Star (NCL)	12	1,170,816	30,384	13,999
Bridgepoint Capital (Ponant)	4	33,589	856	448
Carnival Corporation & plc	102	8,125,201	209,010	86,549
Disney	4	424,336	8,500	4,801
Fred Olsen	4	124,020	3,915	1,511
Genting (Star Cruises)	6	226,514	6,788	3,162
Louis	4	93,170	3,864	1,590
Mitsui OSK	2	45,812	772	420
MSC	12	1,137,602	30,294	12,315
NYK	3	169,874	2,760	1,600

Phoenix Reisen	3	101,083	2,668	1,140
Royal Caribbean	40	3,899,054	94,705	38,848
Silversea	7	136,441	2,140	1,533
Star Clippers	3	9,657	567	250
TUI AG	7	268,770	5,778	2,913
TUI UK (Thomson)	5	202,740	6,980	2,822
Xanterra Resorts (Windstar)	3	25,445	604	360
Niche and expedition fleets	33	178,780	3,560	1,953
Various small operators	38	571,902	19,604	8,293
Total	307	17,390,095	442,998	189,874
2012	301	16,777,285	425,971	183,472
2011	303	16,344,107	416,850	178,844
2010	298	15,345,104	393,817	168,951

Source: G.P. Wild (International) Limited

MSC Cruises is rapidly rising to become the industry's fourth largest player, though until recently it has had only a very limited presence in the Caribbean.

Including MSC, there are nine second tiers, mainly single brand operators, each with over 2,000 berths, which together account for approximately 11% of the capacity. Other marginal operators and the smaller operators in the luxury and niche markets account for the remaining 9% of capacity. It should be stressed that these capacity shares apply only to ocean-going ships, operating in the international cruise sector.

It is notable that the average age of the fleet has fallen during the past four years, reflecting the progressive withdrawal of older vessels either to lay-up or demolition, as well as the influx of newer ones with increased tonnage.

Similarly to land-based hotels, cruise ships operating internationally are rated to provide a comparative view for the prospective cruise tourist of what is on offer. Unfortunately there is no one universal system that is recognized internationally, but rather a number of alternatives that may be adopted, depending upon what is being considered, and the depth of analysis and understanding that may be required. This report employs the Berlitz (Ward, 2012) system as the basis for its analysis, as detailed below, as it is arguably the best and most comprehensive. Other systems such as that used in Stern's Guide, cover comparatively few ships outside the North American market, and the objective method used in calculating the ratings awarded to each ship is unclear.

In this report, cruise vessels are analyzed according to five broad classes of cruise operation. These are:

- SDx (Super Delux vessels) – the leading international vessels with 5 star plus rating, together with some 5 star vessels considered to belong to the luxury sector;
- Dlx+ (Delux plus) – other luxury/ premium or premium vessels with 4 star plus and 5 star ratings;
- Dlx (Delux) – mass-market vessels mainly with 4 star ratings operating chiefly in the international market and often referred to as Contemporary;
- Std (Standard) – vessels rated 3 star and 3 star plus, including some of the older international fleet, together with regional vessels;
- Econ (Economy) – vessels awarded fewer than 3 stars, mainly regional operations or vessels outside mainstream international activities such as expedition vessels.

Whilst the classifications as described, which are summarized in Table C2 for ease of reference generally apply, it has to be recognized that they are not completely watertight, reflecting an element of subjectivity that the awarding of categories invariably contains, even when conducted using a quantifiable system. Attention is drawn in Table C10 to exceptions to the general classifications.

Table C2. Summary of Ship Classifications.

Lifestyle	Classification	Abbreviation	Star Rating	Berlitz Score
Luxury	Super Delux	SDx	Mainly 5 star plus and 5 star with some 4 star plus	1700-2000
Premium	Delux plus	Dlx+	Primarily 4 star plus with a limited number of 5 star vessels	1550-1699
Contemporary	Delux	Dlx	Overwhelmingly 4 star with a small number of 3 star plus	1400-1549
Standard	Standard	Std	3 star plus and 3 star	1100-1399
Budget	Economy	Econ	Less than 3 stars	0-1099
Other	Not yet rated	Nyr	Not yet rated by the Berlitz guide ①	-

① In most cases it is possible, where desirable, to make a provisional allocation of a new ship to a particular class as in Figure 1.2.
Source: G.P. Wild (International) Limited

The ratings used to assess each vessel in this report are derived from the Berlitz Complete Guide to Cruising and Cruise Ships (Ward, 2012). The results of this analysis are shown in Figure C2, which represents the shape of the cruise fleet at the end of 2012 in terms of lower berth capacity.

It is evident from Figure C2 that in terms of capacity on offer, the market is dominated by the Delux or Contemporary segment, which includes most of the berths provided by the major North American lines, together with similar capacity offered in other markets. This category now comprises 227,476 lower berths or 52% of capacity.

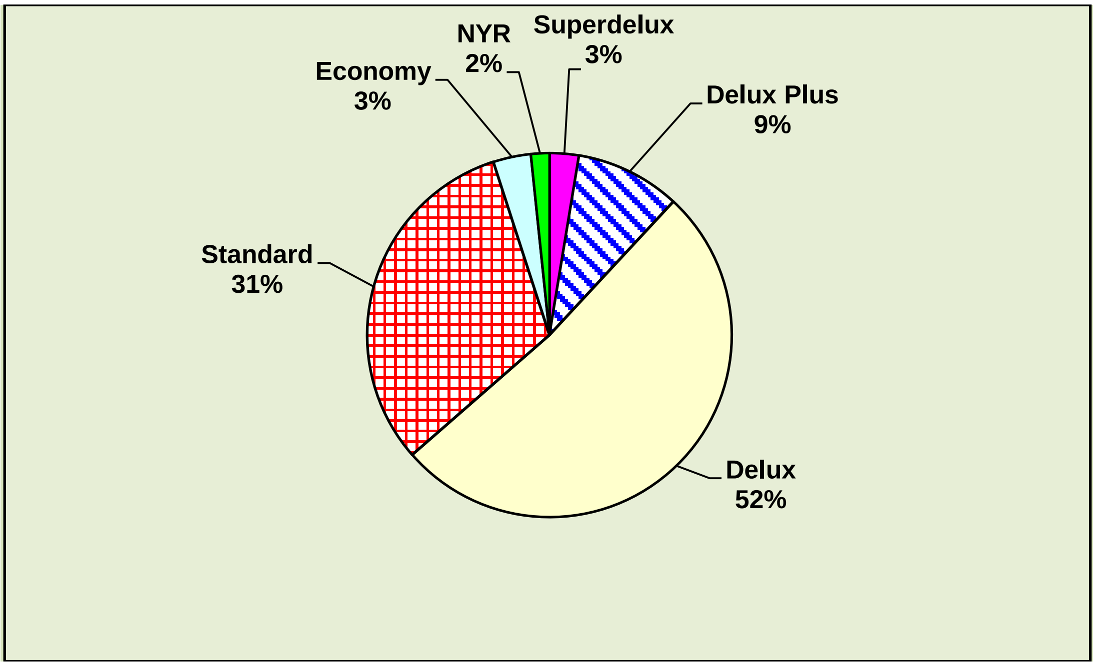


Figure C2. Analysis of Cruise Fleet by Category – end 2012 (G.P. Wild (International) Limited).

The remaining market shares are held by the more down-market Standard and Economy categories, with 138,412 (31%) and 14,698 (3%) lower berths respectively, whereas the Superdelux (Luxury) and Delux plus (Premium) categories comprise 11,460 (3%) and 40,933 (9%) lower berths respectively.

As a general rule, vessels that appear in the Superdelux, Delux Plus and Delux categories have nearly always been purpose-built for these categories, whereas more often than not Standard and Economy vessels have been acquired second-hand. The Standard class does also, however, include many older purpose-built ships in the contemporary mass market, such as Carnival's Fantasy series.

1.3.1.2 Current Market Position

The main source markets for cruise tourists are shown in Figure C3, which illustrates that North America, primarily the United States, remains the largest source market for cruise tourists. However in recent years, with the ascendancy of Europe and subsequently other markets such as Australia, Asia and Brazil, the relative market share of North America has declined in comparison to these markets. In 2002, North America accounted for 70% of the world's cruise tourists, compared to 22% that were sourced from Europe. A decade later, in 2011, the relative market shares of North America and Europe were 56% and 30% respectively. As can be seen from Figure C3, both markets continued to grow throughout the decade, although in North America expansion proved somewhat elusive between 2007 and 2009 as the effects of the credit crunch and the recession became apparent.

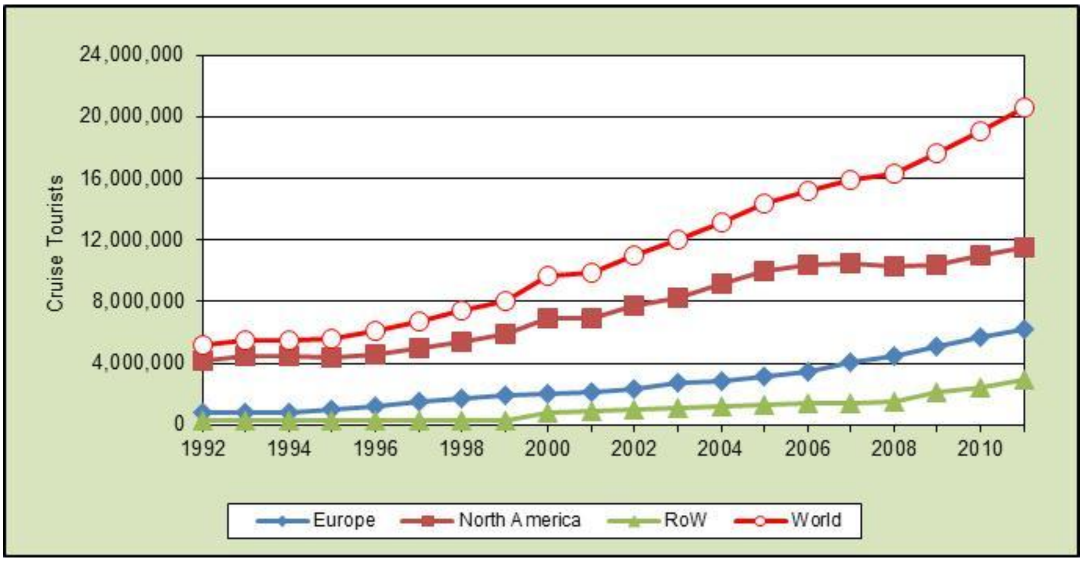


Figure C3.Main source markets for Cruise tourists (G.P. Wild (International) Limited).

Table C3 sets out international cruise sector growth between 2002 and 2011. The figures provided in this analysis are confined as far as possible to cruises of two nights or longer, undertaken by vessels of 50 berths or more and providing cruises within the international market for oceanic cruising. They thus exclude the riverine cruising sector, along with coastal cruises and one-day cruises.

As can be seen from Table C3, around 20.6 million passengers are estimated to have taken a cruise worldwide in 2011, an increase of 8% from 2010. As in the previous year, the 2011 total includes an enhanced figure for the *Rest of the World*, with cruise passengers estimated at 2.9 million.

Table C3. International demand for Cruise shipping: 2002 to 2011.

Pax by area	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
N. America (m)	7.70	8.23	9.14	9.96	10.38	10.45	10.29	10.40	11.00	11.52
Europe (m) ①	2.37	2.71	2.84	3.14	3.44	4.05	4.47	5.04	5.67	6.18
Sub-total (m)	10.07	10.94	11.98	13.1	13.82	14.5	14.76	15.44	16.67	17.70
RoW (m)	0.97	1.08	1.15	1.28	1.36	1.45	1.54	2.15	2.40	2.91
Total (m)	11.04	12.02	13.13	27.489	15.18	15.95	16.29	17.59	19.07	20.61
% N America	69.72	68.48	69.58	69.25	68.37	65.51	63.16	59.12	57.66	55.91
Est. Pax days (m)	76.17	82.92	90.60	99.26	104.76	110.08	112.41	121.40	131.58	142.99
Demand – LBs	217,634	236,927	258,852	283,590	299,318	314,528	321,183	348,666	375,957	408,533

① Including Russia and Eastern European countries outside the EU-27.

Source: G.P. Wild (International) Limited from PSA, CLIA, ECC and other sources.

The total growth in the three market “blocs” between 2002 and 2011 was as follows:

- North America ....+49.6
- Europe..+160.8
- Rest of the World.......................................+200.0

The global development of the cruise market over the past five years is considered in greater detail in Table C4. Evidently, from the figures contained in the table, the cruise industry achieved uneven rates of growth across the principal markets in 2010, with strong growth in Europe and the Mediterranean of 9.1%. Within this figure, however, the growth rates varied considerably, with the strongest growth found in some of the smaller markets, such as Other Western Europe, Other Mediterranean and Benelux. Among the major countries, France and Germany showed the strongest growth with double-digit increases, whereas in the UK, Italy and Iberia (mainly Spain), growth was between 2 and5%.

Table C4.Comparative growth of world demand for Cruising: 2007-2011.

Country	Numbers Cruising ①					% Growth	
	2007	2008	2009	2010	2011	2010-11	2007-11
France	280,000	310,000	347,000	387,000	441,000	+14.0	+57.5
Germany	762,753	906,620	1,027,000	1,219,000	1,388,000	+13.9	+82.0
Italy	640,000	682,000	799,000	889,000	923,000	+3.8	+44.2
UK ⑤	1,337,000	1,464,062	1,519,235	1,564,000	1,639,000	+6.0	+24.0
Benelux	82,000	92,000	110,000	126,000	159,000	+26.2	+93.9
Scandinavia	94,000	123,000	173,000	383,000	306,000	-20.1	+225.5
Iberia ②	537,778	525,000	617,000	686,000	700,000	+2.0	+30.2
Other W Europe ③	243,043	279,000	352,764	313,000	512,000	+57.5	+102.8
Total - W Europe	3,976,573	4,381,682	4,944,999	5,567,000	6,068,000	+9.0	+52.6
E Europe + Russia ④	33,200	37,450	45,403	51,654	53,903	+4.3	+62.3
Cyprus	43,677	46,482	49,287	52,093	54,898	+5.4	+25.7
Other Mediterranean	20,500	20,233	21,205	42,500	55,500	+30.6	+170.7
Total Europe + Med	8,050,524	8,867,529	10,005,893	11,280,247	12,300,301	+9.1	+53.0
USA ⑥	*9,776,352*	9,579,393	9,703,646	10,305,499	10,760,000	+4.4	+10.0
Canada	*675,588*	710,607	698,077	691,121	760,000	+10.4	+13.0
Total - N. America ⑦	10,451,940	10,290,000	10,401,723	10,996,620	11,520,000	+4.8	+10.2
Europe + N. America	14,505,390	14,755,614	15,441,413	16,667,367	17,696,801	+6.2	+22.0
Rest of World ⑧	1,448,950	1,536,302	2,153,218	2,402,903	2,908,406	+21.0	+100.7
Grand Total	15,954,340	16,291,916	17,594,630	19,070,270	20,605,208	+8.0	+29.2

① Riverine and other non-oceanic passages omitted where known.
②Spain and Portugal.
③Austria, Greece, Ireland and Switzerland.
④ These figures, which are largely estimates, include the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Russia, Slovak Republic and Ukraine. The estimates are assumed to cover all cruise tourists from this region whether they cruise in Northern Europe or the Mediterranean, especially through Cyprus.
⑤Excludes Ireland. A first-time estimation of Ireland’s input in 2010 indicated a total of 58,000, somewhat higher than that assumed in earlier years. As a result the percentage growth figures for the UK understate the case.
⑥Includes Puerto Rico.
⑦ CLIA totals have been inflated by 2% to take account of non-CLIA lines supplying the North American market.
⑧Data for the Rest of the World has been based on an assumed trend over an estimate originally made 10 years ago. However, it has become evident that this trend is now over-conservative, following recent market developments in South America, East Asia and Australasia. The figures for 2009-10 take account of these developments but clearly cannot be compared with the figures shown for earlier years. Other Mediterranean (mainly Turkey) is also included in the Rest of the World.

Source: CLIA, PSA, ECC and G.P. Wild (International) Limited.

Over the period 2007 – 2011, world growth was estimated to be 29.2%, with Europe growing by 53.0%, North America by 10.2%, and the rest by 100.7%.

Table C5 provides actual or estimated data (in italics) for residual markets in the rest of the world over the five years from 2007-11. It will be evident that with notable exceptions including Australia, New Zealand and Brazil, there is little firm data on these markets. However, we consider that despite the apparent leap forward in 2011, these figures are still likely to be conservative, especially as some estimates are placing Chinese passenger numbers in the 300,000 to 400,000 range and upwards.

Table C5. Breakdown of Cruising in the Rest of the World: 2007-11.

Country	2007	2008	2009	2010	2011
	Estimated Passenger Numbers				
Argentina	*25,000*	*60,000*	*100,000*	*99,249*	*117,484*
Australia	263,435	330,290	366,721	① 438,105	① 588,381
Brazil	347,150	446,815	621,070	720,621	792,752
China ②	*60,000*	*80,000*	*90,000*	*120,000*	*107,333*
Japan	184,000	*167,346*	*165,594*	*163,842*	*162,090*
Mexico	*0*	*60,200*	*126,400*	*126,400*	*126,400*
New Zealand	30,215	38,968	31,633	42,886	53,825
South Africa	*40,000*	*50,000*	*65,000*	*74,000*	*90,000*
Turkey	*20,000*	*19,733*	*20,705*	42,000	55,000
Others	*479,150*	*282,950*	*565,877*	*575,800*	*815,141*
Totals	*1,448,950*	*1,536,302*	*2,153,000*	*1,865,549*	*2,202,541*

Estimates in italics
① River cruises omitted. Figures for earlier years may contain some river cruises but disaggregated figures are not available.
② These numbers may be considered rather conservative; other estimates place cruises by Chinese nationals at 300,000 upwards.
Source: G.P. Wild (International) Limited

As can be seen from Table C6, the utilization of the international fleet is estimated to have reached 110.8% in 2011, representing the highest utilization rate during the past decade.

Table C6. Supply and Demand and Berth Utilisation: 2002 - 2011.

Item	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Demand – Pax days (m)	76.17	82.92	90.60	99.26	104.76	110.08	112.41	121.40	131.58	142.99
Total Supply ('000s LBs)	251.55	267.43	284.71	290.48	304.37	322.69	344.73	366.30	388.76	403.00
Adj. Supply ('000s LBs)	227.08	246.22	252.85	274.79	289.61	310.91	318.01	348.93	351.55	368.82
Supply in berth days (m)	79.48	86.18	88.50	96.18	101.36	108.82	111.30	122.09	123.04	129.09
Utilisation (%)	95.84	96.23	102.37	103.20	103.35	101.16	101.00	99.44	106.94	110.77

Source: G.P. Wild (International) Limited from CLIA, PSA and ECC data and other trade sources

1.3.1.3 Supply Growth

As shown in Table C7, six vessels with a total capacity of almost 14,000 lower-berths were commissioned in 2013.

Table C7.Deliveries during 2013.

Delivery	Operator	Name	Builder/ Yard	GT	Pax (LB)	Cost ($m)	Cost/ Berth ($'000s)
2013							
Q1	MSC	*MSC Preziosa*	STX France	139,400	3,478	*800.00*	230.02
Q1	Aida Cruises	*AidaStella*	Meyer Werft	71,300	2,192	421.50	192.29
Q2	Compagnie du Ponant	*Le Soleal*	Fincantieri/ Ancona	10,700	264	137.00	518.94
Q2	Hapag Lloyd	*Europa 2*	STX France	39,500	516	*300.00*	*581.40*
Q2	Norwegian Cruise Line	*Norwegian Breakaway*	Meyer Werft	143,500	4,000	834.00	208.50
Q2	Princess Cruises	*Royal Princess*	Fincantieri/ Monfalcone	139,000	3,600	754.00	209.44
Totals		6 vessels		543,400	14,050	3246.50	[231.07]

Source: G.P. Wild (International) Limited

Of these, two vessels joined the cruise fleet in the first quarter of the year and four were added during the second quarter of 2013.These included two first of class post Panamax ships for major brands, Norwegian cruise Line's *Norwegian Breakaway* and Princess Cruises' *Royal Princess.* With the exception of Hapag Lloyd's *Europa 2* and Ponant's *Le Soleal*, which joined the luxury and premium sections of the market respectively, all the new deliveries were either Panamax with a capacity in excess of 2,000 lower berths, or post-Panamax vessels with more than 3,000 lower berths.

Following the sluggish new building market that characterized the earlier quarters of 2012, the fourth quarter of 2012 and much of 2013 saw an increase in ordering activity, suggesting that the cruise market is now on the road to recovery from the aftershocks of the *Costa Concordia* disaster, even though trading conditions remain difficult. Table C8 lists the current order book. The new ships in the list include some of the largest to enter the fleet:

- First of class 99,000 gt ship for Holland America
- First of class 135,000 gt ship for Carnival
- Two 97,000 gt ships for TUI of Germany
- A further ship in NCL's Breakaway series, including some design modifications
- A third of class 220,000gt Genesis ship for Royal Caribbean;
- Royal Caribbean's new 168,000 gt class;
- Two new 150,000 gt ships for Star Cruises;
- Two new 167,000 gt ships for MSC.

In addition, a new entrant, Viking Ocean Cruises, has ordered four 48,000 gt ships for the premium market.

Table C8. Ocean-going Cruise vessels: Scheduled new buildings 2014 -2018.

Year/ Quarter	Operator	Name	Builder/ Yard	Yard No	GT	Pax (LB)	Cost ($m)	Cost/ Berth ($'000s)
2014								
Q1	NCL	*Norwegian Getaway*	Meyer Werft	692	143,500	4,000	834.00	208.50
Q2	Pearl Seas Cruises	*Pearl Mist*	Chesapeake①	-	8,700	216	60.00	277.78
Q2	Princess Cruises	*Regal Princess*	Fincantieri/ Mf②	6224	139,000	3,600	754.00	209.44
Q2	TUI	*Mein Schiff 3*	STX Finland	1383	97,000	2,500	534.00	213.60
Q4	Costa Cruises	*Costa Diadema*	Fincantieri/ Mg	6203	132,000	3,700	792.33	214.14
Q4	Royal Caribbean International	*Quantum of the Seas*	Meyer Werft	697	167,800	4,180	940.00	224.88
	Sub-total	6 vessels			688,000	18,196	3914.33	[215.12]
2015								
Q1	P&O Cruises	*Britannia*	Fincantieri/ Monfalcone	6231	141,000	3,611	805.54	223.08
Q1	Royal Caribbean International	*Anthem of the Seas*	Meyer Werft	698	167,800	4,180	940.00	224.88
Q2	Compagnie du Ponant	*Le Lyrial*	Fincantieri/ Ac	-	10,700	264	137.00	518.94
Q2	TUI	*Mein Schiff 4*	STX Finland	1384	97,000	2,500	534.00	213.60
Q2	Viking Ocean Cruises	*Viking Star*	Fincantieri/ Mg	-	47,800	925	*370.00*	*400.00*
Q4	Aida Cruises	*AIDAprima*	Mitsubishi	2300	125,000	3,250	649.61	199.88
Q4	NCL	*Norwegian Escape*	Meyer Werft	693	163,000	4,200	*900.00*	*214.29*
	Sub-total	7 vessels			752,300	18,930	4336.15	[229.06]
2016								
Q1	Aida Cruises	*AidaTua*	Mitsubishi	2301	125,000	3,250	649.61	199.88
Q1	Carnival Cruise Lines	*Carnival Vista*	Fincantieri/ tba	6242	135,000	4,000	*700.00*	*175.00*
Q1	Holland America	*[HAL 1]*	Fincantieri/ tba	6241	99,000	2,660	*600.00*	*225.56*
Q2	Royal Caribbean International	*[Genesis 3]*	STX France	-	225,282	5,400	*1,200.00*	*222.22*
Q2	Royal Caribbean International	*[Quantum 3]*	Meyer Werft	-	167,800	4,180	940.00	224.88
Q2	Viking Ocean Cruises	*[VOC 2]*	Fincantieri/ Mg	-	47,800	925	*370.00*	*400.00*
Q3	Regent Seven Seas	*Seven Seas Explorer*	Fincantieri/ tba	-	54,000	738	540.00	731.71
Q4	Star Cruises	*[Star 1]*	Meyer Werft	-	150,000	3,364	962.00	285.97
Q4	Viking Ocean Cruises	*[VOC 3]*	Fincantieri/ Mg	-	47,800	925	*370.00*	*400.00*
H2	Seabourn	*[Seabourn 4]*	Fincantieri/ tba	-	40,350	604	*275.00*	611.11
	Sub-total	10 vessels			1,092,032	26,046	6,606.61	[253.65]
2017								
Q1	Viking Ocean Cruises	*[VOC 4]*	Fincantieri/ Mg	-	47,800	925	*370.00*	*400.00*
Q3	NCL	*Norwegian Bliss*	Meyer Werft	-	163,000	4,200	*900.00*	214.29
Q4	Star Cruises	*[Star 2]*	Meyer Werft	-	150,000	3,364	955.00	283.89
-	MSC	*[MSC 1]*	STX France	-	167,000	4,500	1,000.00	222.22
	Sub-total	4 vessels			527,800	12,989	3,225.00	[248.27]
2018								
	Xiamen International Cruise	*Xiamen China*	Xiamen Shipdg. Ind. Co	-	100,000	*2,500*	490.00	*196.00*
	Sub-total	1 vessel			100,000	*2,500*	490.00	[196.00]
2019								
-	MSC	*[MSC 2]*	STX France	-	167,000	4,500	1,000.00	222.22
	Sub-total	1 vessel			167,000	*4,500*	1,000.00	[222.22]
	Total	**29 vessels**			**3,327,132**	**83,161**	**19,572.09**	

Estimates in *italics*.① Completion of vessel originally built by Irving of Canada. ② Fincantieri: Ac, Ancona; Mf, Monfalcone; Mg, Marghera; tba, to be advised.

Source: G.P. Wild (International) Limited

With a net gain of two ships, the forward position at the end of the first quarter of 2014, following the delivery of the *Norwegian Getaway*, can be summarised as follows:

- 28 ships (+2)
- 3.184 million gt (+353,850 gt)
- 79,161 lower berths (+8,518)
- US$18.74 billion (+US$2.14 billion)

New building trends are illustrated in Figure C4. In capacity terms, the order book is now at its highest for four years, but new orders are possible, most probably from 2017 and beyond.(The black Poly line is the underlying trend as developed by a polynomial model).

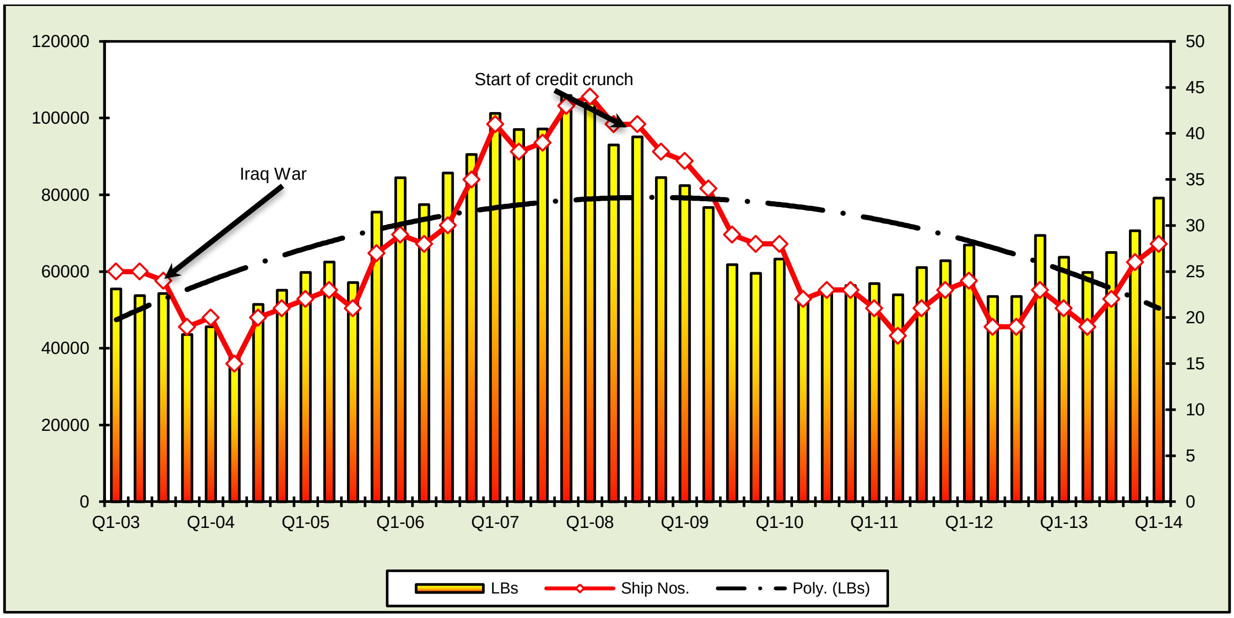


Figure C4. New building trends at Q1-14 (G.P. Wild (International) Limited).

The Carnival and Royal Caribbean groups currently have around 27% of new investment, with Apollo, MSC and Star each in the region of 10 to 12% each.

Table C9 lists prospective orders. New prospects include two further ships for Viking Ocean Cruises and options on the latest P&O and RCI contracts. The future of a number of other projects is currently uncertain, including the Costa and Silversea options.

Table C9.Ocean-going vessels: orders pending.

Operator	Name [Provisional]	Yard	GT	Pax (LB)	Cost (US$m)	Status
Costa	*[Super-Costa 2]*	Fincantieri	132,000	3,700	792.33	Option
Le Nouveau France	*France*	STX St Nazaire	55,000	600	536.00	Design completed
P&O Cruises	*[P&O2]*	Fincantieri	141,000	3,611	805.54	Option – market rumour
Royal Caribbean	*[Genesis 4]*	STX St Nazaire	225,282	5,400	*1,200.00*	Option, 2018
Silversea	*[Silversea 2]*	Fincantieri	36,000	540	*300.00*	Status uncertain
Quintessentially One	*Quintessentially One*	TBA	45,800	532	*400.00*	Project
Star Clippers	*[Star Clippers 1]*	European yard	*10,000*	296	*150.00*	Status uncertain
Blue Star Line	*Titanic II*	Jinling, China	*60,000*	1,680	*400.00*	Project, 2018 target
Viking Ocean Cruises	*[VOC 5]*	Fincantieri	41,000	998	*355.20*	Option
Viking Ocean Cruises	*[VOC 6]*	Fincantieri	41,000	998	*355.20*	Option
Total	10 vessels		787,082	18,355	5,294.27	
In abeyance - delivery uncertain						
Sea Cloud Cruises	*Sea Cloud Hussar*	Factoria Naval de Marin ①	*5,000*	136	*100.00*	Status uncertain

①Construction interrupted by shipyard bankruptcy.
Note. Estimates in *italics.*
Source: G.P. Wild (International) Limited

1.3.1.4 Investment

The pattern of investment by the cruise industry between 2004 and 2013 is depicted in Figure C5, together with the planned investments from 2014 to 2018.

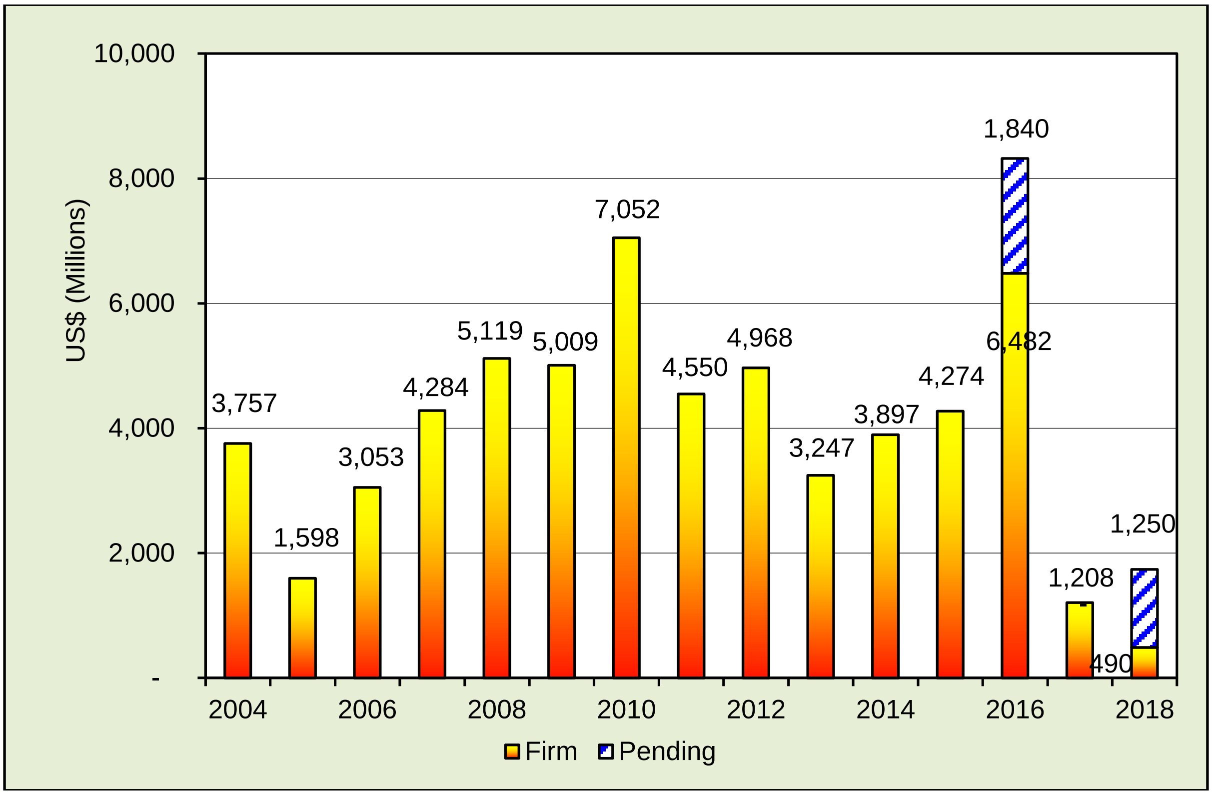


Figure C5. Cruise Industry investment levels from 2004 to 2018 at end 2013 (Source: G.P. Wild (International) Limited).

Evidently from Figure C5, the rate of investment has fluctuated substantially year on year from a low of US$1.6 billion in 2005 to a high of over US$7.0 billion in 2010. The low in 2005 was caused by the dearth of orders that followed 9/11. Subsequently, as confidence returned, investment increased significantly almost every year until 2010. Like the impact of the 9/11 attack on the US mainland, the impact of the credit crunch, which started "officially" on 9th August 2007, became apparent in 2011, some four years later, when investment levels fell to US$4.6 billion. There was some recovery in 2012 but investment levels will fall again to US$3.3 billion in 2013 before recovering to at least US$6.5 billion by 2016. Although officially still in place, it seems increasingly unlikely that the orders that are pending for 2016 will go ahead. However, it is still possible that some of those pending in 2018 may be confirmed and it is also possible that additional orders may be placed for both 2017 and 2018 and beyond, but this is by no means certain. As in previous years, it is to be expected that the majority of orders will be placed by the major operators.

1.3.1.5 Outlook to 2018

The cruise industry enjoyed strong growth across the board between 2003 and 2006, but 2007 to 2009 were more uneven years, with weakness in the North American market being offset by continuing strong demand in Europe and elsewhere.

A greater measure of growth was achieved in 2010 and 2011 in North America, and the expansion in Europe and the rest of the world was sustained. In comparison, 2012 was a difficult year for the industry, with continuing economic uncertainty compounded by instability in the Middle East and parts of North Africa, and the after-effects of the Costa Concordia disaster. As a result, growth levels are likely to be much lower than hitherto, at least in the traditional markets. Preliminary indications suggest that the UK will be flat with marginal growth of around 1%, while German growth seems likely to be in single digits. Southern European countries are scarcely likely to compensate. Passenger numbers issued by the major North American-based corporations over the last few months of 2012 suggest that passenger growth might be of the order of 2.2%. The outlook moving forward is likely to be influenced by the following factors:

- While the industry is seen to have dealt well with the safety issues arising from the *Costa* incident, it is likely that there will still be some reluctance to commit, especially among potential first-time cruisers.
- With the uncertain state of the global economy, fuel oil prices have fluctuated considerably but remain at historical high levels. Moreover, environmental regulations relating to fuel, in particular those stipulating a very low sulphur content, are likely to lead to increased demand for higher grades of fuel oil, further escalating cost pressures on the industry. At the same time this is stimulating technological responses to these factors, but these, as yet, are unproven in service.
- The final months of 2012 saw a return to the market on the part of a number of the leading brands with new orders that will add nearly 19,000 lower berths to the fleet but MSC has indicated firmly that it will not be ordering any new ships until the economic climate improves significantly.
- This is indicative of a renewed confidence on the part of the industry with an average of nearly 17,000 lower berths per annum joining the fleet during 2013-16, although there is no doubt that uncertainties remain and the market upturn appears to relatively modest at this point in time.
- Fall out of weaker cruise lines is continuing, which is evidenced by the demise of Arcalia (Classic International Cruises).
- The major economies are continuing to juggle with the conflicting demands of fiscal stimulus versus deficit reduction. This is generally affecting discretionary spending on leisure vacation products and in the cruise context is likely to lead to a continued need to discount prices.
- These considerations have strengthened the case for globalization.

The cruise industry has experienced uncertain demand, together with a major shock to its confidence, but appears to be bouncing back with renewed vigour, although caution still appears to remain in parts of the industry. The industry is also able to benefit from low market penetration in many parts of the world. There seems to be no indication that the industry will experience any reduction in passenger numbers, although yields are likely to remain under downward pressure at least in the short-term.

1.3.1.6 Current Supply-Demand Balance

An assessment of the current position supply demand balance is provided in Figure C6.

These projections, based on the known supply and demand data at the end of 2012, are drawn from the GPW Cruise Industry Model, which also provides a prospective growth curve of +8% above the trend. This represents a level above the base case that the industry has traditionally been able to achieve by market stimulation through the employment of successful marketing engines. However, given the present difficult market conditions and lower levels of investment in additional capacity in the years ahead in comparison to the last decade, it seems increasingly likely that future growth rates will be more moderate in the next few years. Thus a prospective growth curve of +5% has been included in Figure C6 to demonstrate the possible implications for the market of these lower levels of investment in new capacity.

Figure C6. Supply Demand balance 2009-18 (Source: G.P. Wild (International) Limited Cruise Industry Model).

The results obtained from the Model in the fourth quarter of 2012 suggest that increases in demand in 2011 exceeded active supply, with some weakening of this position during 2012. From 2013 onwards however, demand should again exceed active supply, as the reduced order book restrains the expansion of capacity. Occupancy levels and yields can be expected to improve up to 2018 if these trends are maintained, but many uncertainties remain.

In this respect, it should be noted that both the supply lines shown in Figure C6 relate to lower berth capacity. The majority of cruise ships also provide upper berths. On traditional tonnage, upper berths can typically provide up to around 13% extra capacity, although on the more modern mega cruise ships upper berths can account for up to about 25% or more additional capacity, depending on the size and type of ship. Normally around 10% of the cruise ship fleet is inactive for one reason or another, so that in broad terms it can be stated that, when the prospective demand curve meets the supply curve, then the utilization rates for the cruise fleet will be approximately 110%.

Having examined the balance between supply and demand, as presented in Figure C6, it is now useful to quantify some of the figures that have been presented, and this is detailed In Figures C10 and C11.

TableC10. International Passenger Demand 2012 to 2018.

Pax (m)	2012	2013	2014	2015	2016	2017	2018
N America	12.16	12.60	13.04	13.48	13.92	14.36	14.80
Europe ①②	5.64	5.93	6.23	6.52	6.81	7.10	7.39
Sub-total	17.8	18.54	19.277	20.00	20.73	21.46	21.19
RoW②	2.32	2.44	2.57	2.69	2.82	2.94	3.07
Total	37.92	39.51	41.117	42.69	44.28	45.860	25.26
Percentage change	-2.3	+4.2	+4.1	+3.9	+3.8	+3.6	+3.5
European %	28.04	28.28	28.51	28.72	28.91	29.09	29.26
Av. (days)	6.9	6.9	6.9	6.9	6.9	6.9	6.9
Pax days (m)	139.82	145.84	151.87	157.89	163.92	169.94	175.97
Demand – LBs	399,482	416,696	433,911	451,125	468,340	485,554	502,767

① Including Russia, Eastern Europe and Cyprus.
② The figures provided for 2010 in this table suggest that there will be significant growth in North America whereas Europe and the Rest-of-World will decline. This is unlikely to be the case but shows that growth in Europe and Rest-of-World is ahead of the historical trends indicated by the linear regression model used to provide these projections, while North America is falling behind the long-term trend.

Source: G.P. Wild (International) Ltd. Cruise Industry Model

The projected figures contained in Table C10, setting out cruise passenger demand from 2012 to 2018, suggest that by the latter year passenger demand worldwide will have reached 25.26 million. The European total is expected to increase consistently to reach 7.39 million in 2018, by which time the European contribution is expected to comprise 29.3% of the world total, with the North American share on 58.6%. While these projections are regarded as conservative in relation to total global demand, the shares for North America and Europe could clearly be reduced if one or other of the markets making up the rest of the world were to exhibit dynamic growth, as has occurred in recent years in South America and Australasia. On the basis of an average cruise length of 6.9 days, total passenger days will have reached nearly 140 million in 2012, rising to 176 million in 2018. It is estimated this would represent a total demand for lower berths of over 500,000, compared with almost 400,000 in 2012. This translates into a net requirement of around 17,000 new berths per annum between 2013 and 2018, in line with the current average for 2013-16, as discussed earlier.

The forward projections for 2012-18 contained in Table C11 indicate that utilization would be 98.29% in 2012, the lowest projected level since 2003 (96.23%), although a slightly lower level of 95.84%was modeled in 2002 following the 9/11 attack on the US mainland. The projections then indicate that utilization would start to climb up to around 112.8% by 2018, unless further, as yet un-ordered capacity is commissioned.

Table C11. Projected Supply and Demand and Berth Utilisation 2012-2018.

Item	2012	2013	2014	2015	2016	2017	2018
Demand – LBs	399,482	416,696	433,911	451,125	468,340	485,554	502,767
Adj. Supply – LBs	406,429	383,893	397,546	404,794	418,484	432,174	445,865
Utilisation (%)	98.29	108.54	109.15	111.45	111.91	112.35	112.76

Source: G.P. Wild (International) Ltd. Cruise Industry Model

Thus the results obtained from the analysis suggest that an improvement in the balance between supply and demand will occur from 2013 onwards. However, it should be noted that any additional orders for new tonnage, which seem likely to occur, particularly for the years 2016-18, would clearly redress the balance. In particular, there is a clear trend towards the ordering of ships of around 4,000 berth capacity, each representing an increase of about 1% in global capacity.

The projections contained in the above section represent our best assessment of the forward market-view, as it appears at the present time, and needs to be read in association with the cautionary comments included in the previous paragraphs.

1.3.1.7 Caribbean Cruise Market

The Caribbean is the natural cruising ground for North Americans, and is the only area in the world that offers year-round cruising, albeit with a high season in the winter and a low season in the summer. It also remains the most popular cruising region, but this primacy is increasingly being challenged by Europe, especially the Mediterranean, which is gradually extending the length of its season, with a few ships now offering year round cruises.

As shown in Figure C7, the Caribbean is generally seen as being comprised of four main cruising grounds, namely the Bahamas and the East, West and Southern Caribbean sectors. Cruises that transit or part-transit the Panama Canal are also seen as a distinct segment of the market.

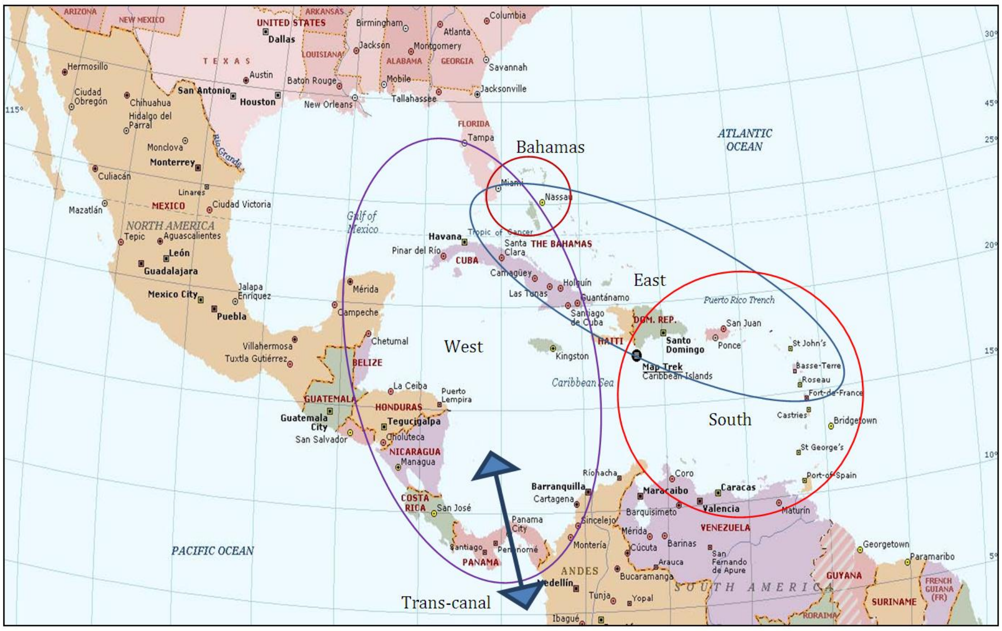


Figure C7. Main Caribbean Cruising Grounds.

The growth of the Caribbean in comparison to the major cruising grounds of the world is depicted in Figure C8. It will be evident that, while Europe has been catching up over recent years, the Caribbean has, nevertheless, retained its primacy again in 2013.

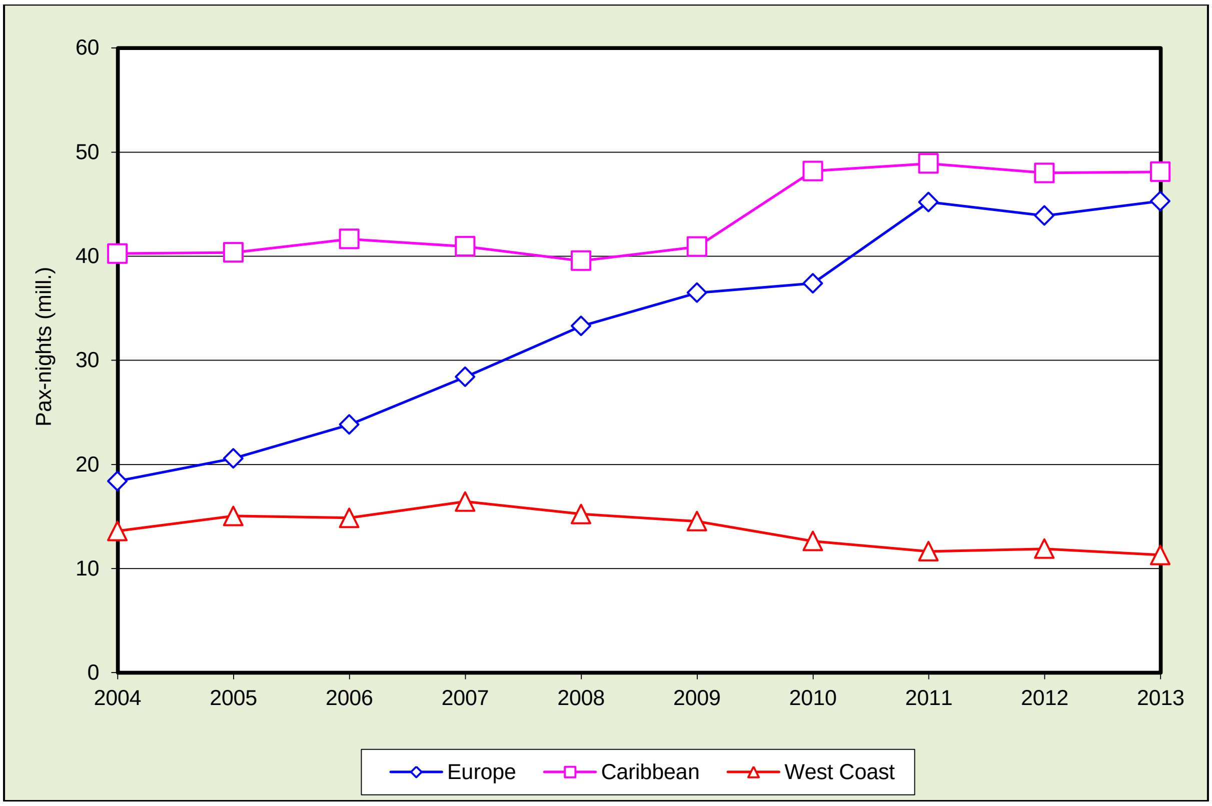


Figure C8. Growth of Capacity offered in Key Cruising Grounds (Source: G.P. Wild (International) Limited).

In terms of passenger nights, the Caribbean reached a high point in 2011; since then a very definite, if small downward trend has been evident. Current estimates suggest that following a slight increase in 2013, strong growth in 2014 is likely to raise Caribbean capacity to its highest level yet. The shift comes despite a continued growth in global capacity. While the complete picture is not yet clear, it seems that capacity is being transferred to growing source markets in Asia Pacific and Northern European regions where the cruise passenger numbers are increasing more rapidly than in the USA, which is the Caribbean's main source market. These developing markets also include South America, which recorded 8% growth from 2011 to 2012, with the market having grown by 218% over the ten years from 2002.

Caribbean Cruise Ship Deployment - 2013

The cruise ships scheduled to appear in the Caribbean during 2013 are listed in Table C12. Although the number of ships deployed in the region remains the same at 143, there are some changes to the fleet. A total of 27 ships deployed in the region in 2013 were not re-deployed in 2012, with the consequence that an equal number will be deployed elsewhere.

TableC12. Caribbean Cruise ship deployment: 2013 analysed by Class.

Name	Operator	Mode	Cat	Pax(LB) by Class					
				SDx	Dlx+	Delux	Std	Econ	Total
Adonia	P&O Cruises	I	Dlx			710			710
Adriana	Tropicana Cruises	I	Econ					250	250
Adventure of the Seas	Royal Caribbean	I	Dlx			3,114			3,114
AidaAura	Aida Cruises	I	Std				1,262		1,262
AidaBella	Aida Cruises	I	Dlx			2,050			2,050
AidaLuna	Aida Cruises	I	Dlx			2,050			2,050
Allure of the Seas	Royal Caribbean	I	Dlx			5,408			5,408
Arcadia	P&O Cruises	I	Dlx			2,020			2,020
Aurora	P&O Cruises	I	Dlx			1,874			1,874
Azamara Quest	Azamara Club Cruises	I	Dlx+		694				694

Name	Operator	Mode	Cat	Pax(LB) by Class					
				SDx	Dlx+	Delux	Std	Econ	Total
Azura	P&O Cruises	I	Dlx			3,105			3,105
Bahamas Celebration	Celebration Cruise Line	I	Econ					1,166	1,166
Balmoral	Fred. Olsen Cruises	I	Dlx+		1,340				1,340
Black Watch	Fred. Olsen Cruises	I	Std				807		807
Brilliance of the Seas	Royal Caribbean	I	Dlx			2,110			2,110
Caribbean Princess	Princess Cruises	I	Dlx			3,122			3,122
Carnival Breeze	Carnival Cruise Lines	I	Std				3,690		3,690
Carnival Conquest	Carnival Cruise Lines	I	Std				2,974		2,974
Carnival Dream	Carnival Cruise Lines	I	Std				3,646		3,646
Carnival Ecstasy	Carnival Cruise Lines	I	Std				2,040		2,040
Carnival Elation	Carnival Cruise Lines	I	Std				2,040		2,040
Carnival Fantasy	Carnival Cruise Lines	I	Std				2,040		2,040
Carnival Fascination	Carnival Cruise Lines	I	Std				2,040		2,040
Carnival Freedom	Carnival Cruise Lines	I	Std				2,974		2,974
Carnival Glory	Carnival Cruise Lines	I	Std				2,974		2,974
Carnival Imagination	Carnival Cruise Lines	I	Std				2,040		2,040
Carnival Legend	Carnival Cruise Lines	I	Std				2,124		2,124
Carnival Liberty	Carnival Cruise Lines	I	Std				2,974		2,974
Carnival Magic	Carnival Cruise Lines	I	Std				3,646		3,646
Carnival Miracle	Carnival Cruise Lines	I	Std				2,124		2,124
Carnival Paradise	Carnival Cruise Lines	I	Std				2,040		2,040
Carnival Pride	Carnival Cruise Lines	I	Std				2,124		2,124
Carnival Sensation	Carnival Cruise Lines	I	Std				2,040		2,040
Carnival Splendor	Carnival Cruise Lines	I	Std				3,006		3,006
Carnival Sunshine ①	Carnival Cruise Lines	I	Std				3,006		3,006
Carnival Triumph	Carnival Cruise Lines	I	Std				2,758		2,758
Carnival Valor	Carnival Cruise Lines	I	Std				2,974		2,974
Carnival Victory	Carnival Cruise Lines	I	Std				2,758		2,758
Celebrity Century	Celebrity Cruises	I	Dlx			1,832			1,832
Celebrity Constellation	Celebrity Cruises	I	Dlx+		1,950				1,950
Celebrity Eclipse	Celebrity Cruises	I	Dlx+		2,850				2,850
Celebrity Equinox	Celebrity Cruises	I	Dlx+		2,850				2,850
Celebrity Infinity	Celebrity Cruises	I	Dlx+		1,950				1,950
Celebrity Millennium	Celebrity Cruises	I	Dlx+		1,950				1,950
Celebrity Reflection	Celebrity Cruises	I	Dlx+		3,030				3,030
Celebrity Silhouette	Celebrity Cruises	I	Dlx+		2,886				2,886
Celebrity Summit	Celebrity Cruises	I	Dlx+		1,950				1,950
Club Med II	Club Mediterranee	I	Dlx			372			372
Coral Princess	Princess Cruises	I	Dlx			1,974			1,974
Costa Luminosa	Costa Cruises	I	Dlx			2,260			2,260
Costa Magica	Costa Cruises	I	Dlx			2,718			2,718
Costa Mediterranea	Costa Cruises	I	Dlx			2,114			2,114
Crown Princess	Princess Cruises	I	Dlx			3,080			3,080
Crystal Serenity	Crystal Cruises	I	SDx	1,080					1,080
Crystal Symphony	Crystal Cruises	I	SDx	960					960
Delphin	Passat Kreuzfahrten	I	Std				472		472
Disney Dream	Disney Cruise Line	I	Dlx+				2,500		2,500
Disney Fantasy	Disney Cruise Line	I	Dlx+		2,500				2,500
Disney Magic	Disney Cruise Line	I	Dlx			1,750			1,750
Disney Wonder	Disney Cruise Line	I	Dlx			1,750			1,750
Emerald Princess	Princess Cruises	I	Dlx			3,078			3,078
Enchantment of the Seas	Royal Caribbean	I	Dlx			2,256			2,256
Eurodam	Holland America Line	I	Dlx			2,104			2,104
Europa	Hapag-Lloyd	I	SDx	408					408
Explorer of the Seas	Royal Caribbean	I	Dlx			3,114			3,114
Freedom of the Seas	Royal Caribbean	I	Dlx			3,634			3,634
Grand Princess	Princess Cruises	I	Dlx			2,592			2,592
Grande Caribe	Blount Small Ship Adventures	C	Econ					96	96
Grande Mariner	Blount Small Ship Adventures	C	Econ					96	96
Grandeur of the Seas	Royal Caribbean	I	Dlx			1,950			1,950
Hamburg	plantours & partner	I	Std				408		408
Horizon	Pullmantur	I	Std				1,506		1,506
Independence of the Seas	Royal Caribbean	I	Dlx			3,634			3,634
Island Princess	Princess Cruises	I	Dlx			1,974			1,974
Island Sky	Noble Caledonia	I	Dlx+		118				118
Jewel of the Seas	Royal Caribbean	I	Dlx			2,126			2,126
Kristina Katarina	Kristina Cruise	I	Econ					380	380
Le Boreal	Compagnie du Ponant	I	Dlx			264			264
Le Ponant	Compagnie du Ponant	I	Std				64		64
Legend of the Seas	Royal Caribbean	I	Dlx			1,804			1,804
Liberty of the Seas	Royal Caribbean	I	Dlx			3,634			3,634
Maasdam	Holland America Line	I	Dlx			1,266			1,266
Majesty of the Seas	Royal Caribbean	I	Std				2,380		2,380
Marco Polo	Cruise and Maritime	I	Econ					844	844
Marina	Oceania Cruises	I	Dlx+		1,258				1,258
Mariner of the Seas	Royal Caribbean	I	Dlx			3,114			3,114
Mein Schiff	TUI Cruises	I	Dlx			1,848			1,848
Mein Schiff 2	TUI Cruises	I	Dlx			1,870			1,870
Minerva	Swan Hellenic	I	Dlx			352			352
Monarch ②	Pullmantur	I	Std				2,354		2,354
MSC Divina	MSC Cruises	I	Dlx+		3,502				3,502
MSC Lirica	MSC Cruises	I	Dlx			1,560			1,560
MSC Poesia	MSC Cruises	I	Dlx			2,550			2,550

Name	Operator	Mode	Cat	Pax(LB) by Class					
				SDx	Dlx+	Delux	Std	Econ	Total
Navigator of the Seas	Royal Caribbean	I	Dlx			3,114			3,114
Nieuw Amsterdam	Holland America Line	I	Dlx			2,106			2,106
Noordam	Holland America Line	I	Dlx			1,918			1,918
Norwegian Breakaway	Norwegian Cruise Line	I	Dlx			4,000			4,000
Norwegian Dawn	Norwegian Cruise Line	I	Dlx			2,224			2,224
Norwegian Epic	Norwegian Cruise Line	I	Dlx			4,200			4,200
Norwegian Gem	Norwegian Cruise Line	I	Dlx			2,394			2,394
Norwegian Jewel	Norwegian Cruise Line	I	Dlx			2,376			2,376
Norwegian Pearl	Norwegian Cruise Line	I	Dlx			2,376			2,376
Norwegian Sky	Norwegian Cruise Line	I	Std				2,002		2,002
Norwegian Star	Norwegian Cruise Line	I	Dlx			2,240			2,240
Norwegian Sun	Norwegian Cruise Line	I	Std				2,002		2,002
Oasis of the Seas	Royal Caribbean	I	Dlx			5,408			5,408
Oceana	P&O Cruises	I	Dlx			2,004			2,004
Oriana	P&O Cruises	I	Dlx			1,868			1,868
Pacific Princess	Princess Cruises	I	Dlx			688			688
Prinsendam	Holland America Line	I	Dlx+		835				835
Queen Elizabeth	Cunard	I	Dlx+		2,092				2,092
Queen Mary 2	Cunard	I	Dlx+		2,620				2,620
Regatta	Oceania Cruises	I	Dlx+		684				684
Riviera	Oceania Cruises	I	Dlx+		1,258				1,258
Royal Clipper	Star Clippers	I	Dlx			227			227
Royal Princess	Princess Cruises	I	Dlx			3,560			3,560
Ruby Princess	Princess Cruises	I	Dlx			3,114			3,114
Ryndam	Holland America Line	I	Dlx			1,266			1,266
Saga Sapphire	Saga	I	Dlx			706			706
Sea Cloud	Sea Cloud Cruises	I	SDx	68					68
Sea Cloud II	Sea Cloud Cruises	I	SDx	96					96
Seabourn Legend	Seabourn Cruise	I	SDx	208					208
Seabourn Pride	Seabourn Cruise	I	SDx	208					208
Seabourn Sojourn	Seabourn Cruise	I	SDx	450					450
Seabourn Spirit	Seabourn Cruise	I	SDx	208					208
SeaDream I	SeaDream Yacht	I	SDx	118					118
SeaDream II	SeaDream Yacht	I	SDx	118					118
Serenade of the Seas	Royal Caribbean	I	Dlx			2,110			2,110
Seven Seas Navigator	Regent Seven Seas Cruises	I	Dlx+		504				504
Silver Cloud	Silversea	I	Dlx+		296				296
Silver Explorer	Silversea	I	Dlx+		132				132
Silver Spirit	Silversea	I	SDx	540					540
Silver Whisper	Silversea	I	SDx	388					388
Star Clipper	Star Clippers	I	Dlx			170			170
Tere Moana	Paul Gaugin Cruises	I	Dlx			90			90
Thomson Dream	Thomson	I	Std				1,494		1,494
Ventura	P&O Cruises	I	Dlx			3,096			3,096
Vision of the Seas	Royal Caribbean	I	Dlx			2,000			2,000
Westerdam	Holland America Line	I	Dlx			1,916			1,916
Wind Spirit	Windstar Cruises	I	Std				148		148
Wind Star	Windstar Cruises	I	Std				148		148
Wind Surf	Windstar Cruises	I	Dlx			308			308
Zuiderdam	Holland America Line	I	Dlx			1,916			1,916
2013: 143 ships				4,850	37,249	145,532	75,579	2,832	102,676
% Breakdown				1.82	14.00	54.70	28.41	1.06	100.00
2012: 143 ships				5,940	38,309	130,124	78,379	2,192	254,944
% Breakdown				2.33	15.03	51.04	30.74	0.86	100.00
2011: 141 ships				6,094	29,137	137,578	77,623	2,202	453,464
2010: 142 ships	Total			5,664	26,668	138,763	70,279	2,504	243,878

①*Carnival Destiny* to Q1 2013.
②*Monarch of the Seas* (Royal Caribbean) to Q1 2013.
Source: G.P. Wild (International) Limited

The average capacity of the Caribbean fleet in 2013 was 1,860 lower berths compared with 1,783 in 2012, 1,792 in 2011 and 1,717 in 2010. This increase in capacity reflected the growth in post-Panamax ships being deployed in the region, 38 with a capacity of 124,957 lower berths, compared with 36 in 2012 and 34 in 2011, accounting for 47% and 45% of overall capacity, respectively.

In terms of class, as in previous years, the Delux class, made up of vessels rated four-star in the Berlitz Guide (Ward, 2012), is the largest with nearly 55% of the capacity deployed. Reversing the trend of the last few years, this share is up from 51% in 2012. At the same time, there has been a shift in share away from the higher-rated ships, with Delux Plus' share declining by just over 1 percentage point to 14.0% and Superdelux (5 stars or more) seeing a share fall of around half a percentage point to 1.8% from 2.3% in 2012. The Standard capacity also saw a decline in share down from 30.7% to 28.4%, indicating overall a move towards mid-market ships at the expense of both the upper and the lower end of the market. It remains to be seen whether this is a longer-term trend for the region. The remaining category, Economy (under three stars) saw a modest rise to just over 1%, but remains a small part of the overall market. The Delux and Standard classes together for the most part represent mass-market cruising in large Panamax and post-Panamax ships, with a combined total of 83.1% of capacity, up from 81.8% in 2012, driven by the shift towards Delux capacity.

Source Markets and Operators

Table C13 provides an analysis of the capacity to be deployed in 2013. The operators active in the region are listed under the source markets that they primarily represent namely North America, the UK, Germany and Other Europe, comprising mainly Southern Europe. In terms of potential passengers carried, the North American products take a 95.0% share, consistent with the share in 2012, which was up slightly from 94.5% in 2011, with the UK contributing 1.4%, Germany 0.9% and the rest of Europe 3.1%. The rest of Europe is expected to gain share, up from 2.5% in 2012 at the expense of the UK and Germany. Since European cruises tend to be longer on average than those targeted at Americans, in terms of passenger-nights North America takes a 92.1% share, the UK 2.7%, Germany 1.5% and Other Europe 3.7%. It should be noted that these percentages reflect the principal marketing focus of the lines concerned, and does not take account of the fact that operators may typically source 10 to 20% of their passengers from outside their target market. In addition some “Rest of Europe” cruises are specifically targeted at the Latin American market.

Table C13.Caribbean Cruise Capacity by Source Market and Operator – 2013.

Source Market/ Operator	Fleet		No Cru	Pax Potential						Pax-nights (Total)
	No	Lower Berths		East/ South	West	Bahamas	T/ canal	Ex-Europe	Total	
North American										
Azamara Club	1	694	4	2,776	0	0	0	0	2,776	30,536
Blount Small Ship Adventures	1	694	4	2,776	0	0	0	0	2,776	30,536
Carnival Cruise	22	58,032	8	5,552	0	0	0	0	5,552	61,072
Celebration Cruise Line	1	1,166	170	0	0	198,220	0		198,220	396,440
Celebrity	25	60,586	186	11,104	0	198,220	0	0	209,324	518,584
Crystal	50	121,172	372	22,208	0	396,440	0	0	418,648	1,037,168
Disney	100	242,344	744	44,416	0	792,880	0	0	837,296	2,074,336
Holland America	200	484,688	1488	88,832	0	1,585,760	0	0	1,674,592	4,148,672
Norwegian Cruise Line	400	969,376	2976	177,664	0	3,171,520	0	0	3,349,184	8,297,344
Oceania	800	1,938,752	5952	355,328	0	6,343,040	0	0	6,698,368	16,594,688
Paul Gaugin Cruises	1	90	9	630	0	180	0	0	810	6,840
Princess	1601	3,877,594	11913	711,286	0	12,686,260	0	0	13,397,546	33,196,216
Regent Seven Seas	1	504	15	4,032	2,520	1,008	0	0	7,560	83,664
Royal Caribbean	3203	7,755,692	23841	1,426,604	2,520	25,373,528	0	0	26,802,652	66,476,096
Seabourn	6406	15,511,384	47682	2,853,208	5,040	50,747,056	0	0	53,605,304	132,952,192
SeaDream Yacht	12812	31,022,768	95364	5,706,416	10,080	101,494,112	0	0	107,210,608	265,904,384
Silversea	25624	62,045,536	190728	11,412,832	20,160	202,988,224	0	0	214,421,216	531,808,768
Windstar	51248	124,091,072	381456	22,825,664	40,320	405,976,448	0	0	428,842,432	1,063,617,536

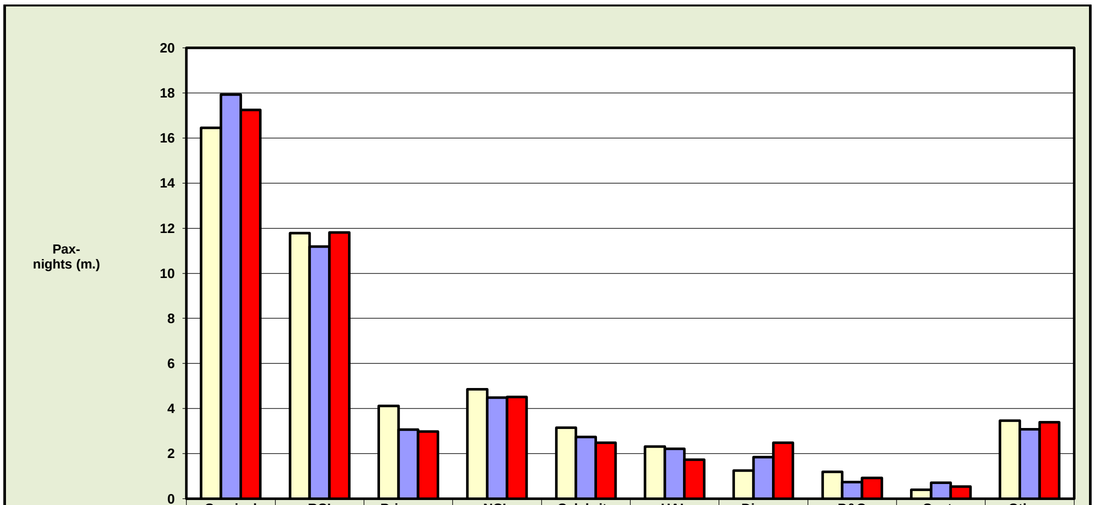
Source Market/ Operator	Fleet		No Cru	Pax Potential						Pax-nights (Total)
	No	Lower Berths		East/ South	West	Bahamas	T/ canal	Ex-Europe	Total	
Sub-total	102496	248,182,144	762912	45,651,328	80,640	811,952,896	0	0	857,684,864	2,127,235,072
Sub-total, 2012	204992	496,364,288	1525824	91,302,656	161,280	1,623,905,792	0	0	1,715,369,728	4,254,470,144
UK										
Cruise and Maritime	1	844	1	0	0	0	0	844	844	7,596
Cunard	1	844	1	0	0	0	0	844	844	7,596
Fred Olsen	2	1688	2	0	0	0	0	1688	1688	15,192
Noble Caledonia	1	118	2	0	0	0	236	0	236	3,422
P&O Cruises	5	3494	6	0	0	0	236	3376	3612	33,806
Saga	1	706	1	0	0	0	0	706	706	8,472
Swan Hellenic	1	352	2	0	704	0		0	704	9,504
Thomson	1	1,494	15	22,410	0	0	0	0	22,410	156,870
Sub-total	13	9,540	30	22,410	704	0	0	7458	31,044	242,458
Sub-total, 2012	26	19,080	60	44,820	1408	0	0	14916	62,088	484,916
Germany										
Aida	52	38,160	120	89,640	2816	0	0	29832	124,176	969,832
Hapag-Lloyd	1	408	2	408	408	0	0	0	816	8,976
Passat Krezfahrten	1	472	3	472	944	0	0	0	1,416	16,992
plantours	1	408	3	0	816	0	408		1,224	15,096
Sea Cloud	55	39,448	128	90,520	4984	0	408	29832	127,632	1,010,896
TUI Cruises	110	78,896	256	181,040	9968	0	816	29832	255,264	2,021,792
Sub-total	220	157,792	512	362,080	19936	0	1632	59664	510,528	4,043,584
Sub-total, 2012	440	315,584	1024	724,160	39872	0	3264	119328	1,021,056	8,087,168
Other Europe										
Cie. du Ponant	880	631,168	2048	1,448,320	79744	0	6528	238656	2,042,112	16,174,336
Club Med	1	372	11	3,348	744	0	0	0	4,092	34,224
Costa	881	631,540	2059	1,451,668	80488	0	6528	238656	2,046,204	16,208,560
Kristina Cruise	1	380	5	1,140	760	0	0	0	1,900	17,860
MSC	1763	1,263,460	4123	2,904,476	161736	0	13056	477312	4,094,308	32,434,980
Pullmantur	3526	2,526,920	8246	5,808,952	323472	0	26112	954624	8,188,616	64,869,960
Star Clippers	7052	5,053,840	16492	11,617,904	646944	0	52224	1909248	16,377,232	129,739,920
Tropicana Cruises ①	*1*	*250*	*25*	*0*	*6,250*	*0*	*0*	*0*	*6,250*	*45,500*
Sub-total	14105	10,107,930	33009	23,235,808	1,300,138	0	104448	3818496	32,760,714	259,525,340
Sub-total, 2012	28210	20,215,860	66018	46,471,616	2,600,276	0	208896	7636992	65,521,428	519,050,680
Grand Total, 2013	56420	40,431,720	132036	92,943,232	5,200,552	0	417792	15273984	131,042,856	1,038,101,360
2012	112840	80,863,440	3,391	2,447,518	2,679,144	2,383,794	117,510	39,246	262,085,712	48,006,600
2011	225680	161,726,880	267,463	188,333,982	13,080,248	2,383,794	953,094	30,587,214	524,171,424	2,124,209,320
2010	451360	323,453,760	534,926	376,667,964	26,160,496	4,767,588	1,906,188	61,174,428	1,048,342,848	4,248,418,640

①2012 data.

Source: G.P. Wild (International) Limited

From Table C13, it can be seen that the principal operators in terms of potential passengers carried are Carnival with 3.071 million (39.7%), followed by RCI with 1.931 million (25.0%). The gap between the two has narrowed compared with 2012, but the two leaders still account for nearly two-thirds of the market. The third largest player, as in 2011, is NCL with 0.67 million (8.7%), but there is a change in fourth place with Disney increasing its passenger numbers to 0.51 million (6.6%), overtaking Princess Cruises for the first time which falls back to fifth place with 0.36 million passengers (4.7%). Both NCL and Princess Cruises were slightly down on 2012, following falls in 2011. In terms of passenger-nights, the combined share of the two market leaders falls to 60.4%, reflecting the larger numbers of short cruises offered by these operators.

The comparative contribution of these and the other leading lines in 2013, compared with 2011 and 2012, is shown in Figure C9.



	Carnival	RCI	Princess	NCL	Celebrity	HAL	Disney	P&O	Costa	Others
2011	16.451	11.782	4.113	4.851	3.151	2.310	1.253	1.188	0.395	3.456
2012	17.934	11.189	3.072	4.479	2.738	2.209	1.850	0.741	0.711	3.084
2013	17.254	11.817	2.987	4.518	2.477	1.731	2.477	0.923	0.535	3.387

Figure C9.Analysis of Caribbean Capacity in 2013, compared with 2011 and 2012 (Source: G.P. Wild (International) Limited).

Major Cruise Groups

Table C14 illustrates the part played in the Caribbean market by the three major groups, smaller groups and independent operators in North America and Europe. As might be expected from the foregoing analysis, the two largest groups, Carnival and RCCL, dominate the picture with 50.1% and 31.3% of pax-nights, respectively. Carnival's share declined In 2012, whereas that of Royal Caribbean has risen following a two-year decline. NCL/ Prestige's share, representing the cruise interests of Apollo Management, has held steady at 9.9% for two years in a row. The remaining groupings, including independent operators and other important groups, have increased their share again to 8.6%, up from 7.6% in 2012.

As has been noted, Caribbean capacity appears to be almost static, with a 0.2% rise in pax-nights projected for 2013, and passenger numbers slightly up at 7.73 million from 7.67 million in 2012. As a result, the average length of cruise has decreased marginally from 6.26 to 6.22 days, and this comes with a shift of capacity to the Eastern (+5.8%) and Western (+4.0%) sectors and away from the Bahamas (-12%). The Eastern Caribbean (including cruises designated as Southern Caribbean), therefore continues to be the leading sector with 40.8% of pax-nights, followed by the Western Caribbean with 35.6% and Bahamas with 20.0%.

Table C14.Caribbean Capacity 2013 analysed by groups and pax-nights.

Source Market/ Operator	Fleet		Number of Cruises	Pax Potential						Pax-nights (Total)
	No	Lower Berths		East/ South	West	Bahamas	T/ canal	Ex- Europe	Total	
North American										
Azamara Club	1	694	4	2,776	0	0	0	0	2,776	30,536
Blount Small Ship Adventures	2	192	4	0	384	0	0	0	384	4,800
Carnival Cruise	22	58,032	1208	691,554	1,415,482	961,694	2,124	0	3,070,854	17,253,812
Celebration Cruise Line	1	1,166	170	0	0	198,220	0		198,220	396,440
Celebrity	9	21,248	123	197,538	84,024	3,900	15,364	0	300,826	2,477,064
Crystal	2	2,040	4	2,040	1,080	0	960	0	4,080	57,840
Disney	4	8,500	226	62,500	157,000	285,000	3,500	0	508,000	2,516,500
Holland America	8	13,327	110	118,491	79,380	2,104	3,832	0	203,807	1,730,538
Norwegian Cruise Line	9	23,814	277	189,324	153,656	305,830	24,708	0	673,518	4,518,116
Oceania	3	3,200	15	10,064	5,032	0	2,626	0	17,722	204,408
Paul Gaugin Cruises	1	90	9	630	0	180	0	0	810	6,840
Princess	9	23,182	129	214,204	120,048	3,114	25,662	0	363,028	2,986,962
Regent Seven Seas	1	504	15	4,032	2,520	1,008	0	0	7,560	83,664
Royal Caribbean	18	53,264	615	722,020	690,460	510,740	7,608	0	1,930,828	11,817,044
Seabourn	4	1074	37	8,698	0	0	450	0	9,148	75,010
SeaDream Yacht	2	236	16	1,888	0	0	0	0	1,888	13,452
Silversea	4	1356	21	6,740	672	1,080	388	0	8,880	81,188
Windstar	3	604	38	6,396	0	0	1,628	0	8,024	56,168
Sub-total	103	212,523	3021	2,238,895	2,709,738	2,272,870	88,850	0	7,310,353	44,310,382
Sub-total, 2012	101	205,179	3076	2,196,655	2,596,176	2,383,794	104,502	2,240	7,283,367	44,499,376
UK										
Cruise and Maritime	1	844	1	0	0	0	0	844	844	7,596
Cunard	2	4,712	4	2,620	0	0	4,184	2,092	8,896	124,524
Fred Olsen	2	2,147	3	0	0	0	0	3,487	3,487	49,336
Noble Caledonia	1	118	2	0	0	0	236	0	236	3,422
P&O Cruises	7	14,677	27	49,599	0	0	710	21,670	71,979	922,774
Saga	1	706	1	0	0	0	0	706	706	8,472
Swan Hellenic	1	352	2	0	704	0		0	704	9,504
Thomson	1	1,494	15	22,410	0	0	0	0	22,410	156,870
Sub-total	16	25,050	55	74,629	704	0	5,130	28,799	109,262	1,282,498
Sub-total, 2012	18	27,304	70	73,165	564	0	9,814	34,172	117,715	1,275,341
Germany										
Aida	3	5,362	19	20,500	13,722	0	0	0	34,222	479,108
Hapag-Lloyd	1	408	2	408	408	0	0	0	816	8,976
Passat Krezfahrten	1	472	3	472	944	0	0	0	1,416	16,992
plantours	1	408	3	0	816	0	408		1,224	15,096
Sea Cloud	2	164	13	532	520	0	0	0	1052	9,548
TUI Cruises	2	3,718	16	29,678	0	0	0	0	29,678	207,746
Sub-total	10	10,532	56	51,590	16,410	0	408	0	68,408	737,466
Sub-total, 2012	11	9,218	57	52,380	16,104	0	2,514	2,454	73,452	789,146
Other Europe										
Cie. du Ponant	2	328	14	1032	0	0	264	0	1296	10,920
Club Med	1	372	11	3,348	744	0	0	0	4,092	34,224
Costa	3	7,092	31	52,770	17,204	0	0	0	69,974	534,650
Kristina Cruise	1	380	5	1,140	760	0	0	0	1,900	17,860
MSC	3	7,612	19	30,674	16,252	0	0	0	46,926	356,800
Pullmantur	2	3,860	49	104,322	0	0	0	0	104,322	725,546
Star Clippers	2	397	36	7,146	0	0	0	0	7,146	50,022
Tropicana Cruises ①	*1*	*250*	*25*	*0*	*6,250*	*0*	*0*	*0*	*6,250*	*45,500*
Sub-total	15	20,291	190	200,432	41,210	0	264	0	241,906	1,775,522
Sub-total, 2012	13	13,243	188	125,318	66,300	0	680	380	192,678	1,442,737
GRAND TOTAL, 2013	143	266,042	3322	2,565,546	2,768,062	2,272,870	94,652	28,799	7,729,929	48,105,868
2012	143	254,944	3,391	2,447,518	2,679,144	2,383,794	117,510	39,246	7,667,212	48,006,600
2011	141	252,634	3451	2,402,596	2,906,516	2,176,348	153,224	28,500	7,667,184	48,950,010
2010	142	243,878	3479	2,441,023	2,887,479	2,008,662	155,388	30,973	7,523,525	48,182,919

① 2012 data.

Source: G.P. Wild (International) Limited

Base-Ports and Destinations

The base-ports that will be used in the Caribbean market during 2013 are set out in Table C15, with the estimates for 2012 for comparison.

Table C15.Base Port utilisation 2013, compared with 2012.

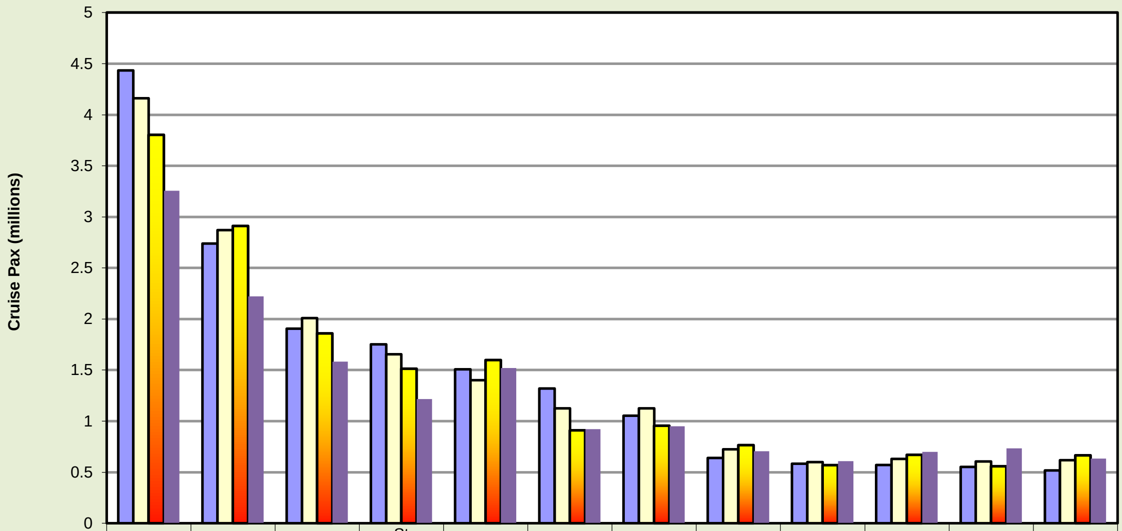
Ports or Port groups	2013				2012
	No of Operators	No of ships	Calls	Pax TP	
East Coast incl.Florida					
Miami	11	28	679	1,654,715	1,677,342
Port Everglades	9	35	464	1,496,506	1,586,585
Port Canaveral	3	8	528	1,333,740	1,356,336
New York	7	12	112	301,124	181,164
West Palm Beach	1	1	170	198,220	217,938
Baltimore	2	3	76	160,440	138,932
Jacksonville	1	1	74	150,960	157,080
Charleston	1	1	63	128,520	140,760
Cape Liberty	2	2	26	79,800	114,114
Norfolk	1	1	6	17,844	17,844
Boston	1	1	1	2,224	2,126
Sub-total			2199	5,524,093	5,590,221
Gulf & E Coast C. America					
Galveston	4	7	197	564,310	474,794
New Orleans	5	9	168	406,940	421,558
Tampa	4	7	184	372,566	407,482
Colon	4	6	76	63,637	21,582
Houston	1	1	9	28,098	0
Puerto Limon	2	3	3	572	660
Belize	1	1	3	288	384
Others	0	0	0	0	18,486
Sub-total			640	1,436,411	1,344,946
Caribbean Island Ports					
San Juan	5	10	159	357,036	341,236
Bridgetown	10	16	101	113,051	84,199
Guadeloupe	4	6	40	67,908	53,336
La Romana	2	4	18	30,254	84,960
St Maarten/ St Martin	6	6	54	10,582	8,536
Martinique	3	4	20	7,008	6,630
Antigua	2	3	9	6,454	322
St Thomas	2	3	14	2,822	2,526
Santo Domingo	3	3	7	2,820	488
Montego Bay	4	4	6	2,032	1,200
Nassau	1	1	1	408	0
Curacao	1	1	2	192	0
Havana	1	1	2	164	1,276
Others	0	0	0		6,250
Sub-total			433	600,731	590,959
Other Ports					
Cartagena	2	3	64	48,897	46,608
La Guaira	4	5	51	36,594	1,468
Los Angeles	6	10	15	28,420	26,730
Southampton	4	11	15	27,955	27,203
San Diego	3	6	7	13,402	24,140
San Francisco	2	2	2	2,478	1,188
Callao	1	1	2	1,666	670
Puerto Caldera	2	2	7	978	1,614
Tilbury	1	1	1	844	0
Valparaiso	1	1	1	710	840
Guayaquil	1	1	1	264	0
Puntarenas	1	1	2	236	954
Others	0	0	25	6,250	131,415
Sub-total			193	168,694	262,830
Total①			3,465	7,729,929	525,660

①The sum of the number of cruise calls is higher than the actual number of cruises as a result of use of multiple base-ports for some cruises.

Source: G. P. Wild (International) Limited

As usual, the leaders in 2013 were the three major Florida ports, Miami, Port Everglades and Port Canaveral, which among them were reckoned to account for 58.0% of all embarkations, compared with 60.1% in 2012 and 58.3% in 2011. Shifts in the Disney fleet have affected Port Canaveral's numbers, with 2013 expected to be down on 2012. However, further changes can be expected from January 2014, when the Disney Wonder will take over from the Disney Magic in Miami, and the latter joins the Disney Dream and Fantasy in Port Canaveral, placing all four ships in the state of Florida for the first time.

The total share of the East Coast ports is 71.5%, up a little on 2012. The share of the Gulf and East Central American ports has risen again to 18.6%, up from 17.5% in 2012, while the island ports have increased marginally, halting the decline of the previous three years, running to 7.8%. Other ports have risen again, albeit still a small segment but representing 2.2% of embarkations. It should be noted that in many cases, in particular the mass market ships sailing from the major Florida and Gulf ports, vessels sailing into the Caribbean will carry well over 100% of lower berth capacity. Carnival's full year data for 2013 shows an average occupancy across the group of 105.1% (2012, 105.5%) but even this high level is likely to be exceeded by the core Carnival Cruise Lines fleet. This explains why actual figures for Miami and Ports Everglades are generally somewhat higher than the projections.



	Bahamas	Cozumel	US Virgin	St Maarten	Cayman	Jamaica	Pto Rico	Belize	Aruba	St Lucia	Antigua	Barbados
2012	4.434	2.740	1.905	1.753	1.507	1.32	1.052	0.641	0.582	0.572	0.551	0.517
2011	4.161	2.871	2.009	1.656	1.402	1.126	1.124	0.725	0.600	0.630	0.606	0.619
2010	3.803	2.911	1.859	1.513	1.598	0.910	0.955	0.765	0.569	0.670	0.558	0.665
2009	3.256	2.222	1.582	1.215	1.520	0.922	0.950	0.705	0.607	0.699	0.734	0.635

FigureC10.Twelve leading Caribbean Cruise destinations 2009 to 2012 (Source: G.P. Wild (International) Limited from CTO data).

Figure C10 shows the 12 leading Caribbean destinations in 2012, with 2009/11 data for comparison. From this it will be seen that the top six in 2012 were the Bahamas, Cozumel, US Virgin Islands (mainly St. Thomas), St. Maarten, Grand Cayman and Jamaica, which overtook Puerto Rico in recent years. Barbados was tenth in the rankings, behind Belize, Aruba, St. Lucia and Antigua. With the exception of Bahamas, Grand Cayman, St. Maarten and Jamaica the leaders fell back in 2012, following growth in most cases the previous year. In the case of several islands, including Puerto Rico, Jamaica and Barbados, the figures include both turnaround and transit calls.

1.3.2 Barbados and the Cruise Market

1.3.2.1 Introduction

The importance of cruise tourism varies from destination to destination and from region to region. The comparative importance of cruise tourism to Barbados is shown in Table C16.

Table C16. Cruise and Tourist Arrivals in Barbados 2002-2013.

Year	Cruise Arrivals	Tourist Arrivals	Total Arrivals	% Cruise
	('000s)			
2002	529.3	521.8	1,051.1	50
2003	559.1	531.2	1,090.3	51
2004	721.7	552.0	1,273.7	57
2005	563.6	548.0	1,111.6	51
2006	539.1	563.0	1,102.1	49
2007	616.4	575.0	1,191.4	52
2008	597.5	568.0	1,165.5	51
2009	635.7	518.6	1,154.3	55
2010	664.7	532.2	1,196.9	56
2011	619.1	567.7	1,186.8	52
2012	517.4	536.3	1,053.7	49
2013	570.3	508.5	1,078.8	53
Growth 2002-13 (%)	+8	-3	+3	
Av. Annual growth				
2002-13 (%)	+0.62	-0.21	+0.22	
2007-13 (%)	-1.10	-1.74	-1.41	

Source: G.P. Wild (International) Limited from WTO and CTO data

Historically, cruise tourism has been of growing importance to the island, although the rates of growth over the last five years have been very modest with growth returning in 2013 after two years of decline in 2011 and 2012 as higher fuel prices impacted on the pattern of deployment of cruise ships to the disadvantage of the islands in the Southern Caribbean. In comparison, land-based tourism has declined slightly from its peak in 2007, but grew by +6.67% in 2011 compared to 2010, following a low of 518.6 thousand in 2009. Both cruise and land-based arrivals declined during 2012, while in 2013 cruise staged a partial recovery whereas tourist numbers continued to fall. This suggests that the difficult economic circumstances being experienced by the major western economies as a result of the credit crunch and recession continues to be felt by all sections of the tourism industry in Barbados.

The principle sources of land-based tourists for Barbados are shown in Table C17.

Table C17. Principal source markets for Barbados of land-based tourists 2009 to 2013.

Main Markets	2009	2010	2011	2012	2013	Market Share (%)
			('000s)			
UK	190.6	181.0	Incl Europe	Incl Europe	Incl Europe	Incl Europe
Other Europe	30.1	31.2	225.1	210.6	209.8	41.3
USA	122.3	135.0	142.4	130.8	120.6	23.7
Canada	63.8	72.4	72.0	72.0	67.3	13.2
Trinidad & Tobago	26.3	27.3	Incl rest	Incl rest	Incl rest	Incl rest
Other CARICOM	62.5	58.9	Incl rest	Incl rest	Incl rest	Incl rest
Rest of World	23.0	26.4	26.1	122.9	110.8	21.8
Total	518.6	532.2	567.7	536.3	508.5	100.0

Source: CTO

Clearly, from Table C17, UK and Europe combined remain the primary source market for Barbados, despite its steady decline since 2009 (except for a rally in 2010). In comparison, tourists from the United States fell from a peak of 133.5 thousand in 2007 to 122.3 thousand in 2009 before reviving in 2010 to reach a new high of 135.0 thousand followed by another decline in 2013. In contrast, visitor numbers from Canada grew from 49.2 thousand in 2006 to 72.4 thousand in 2010. In 2011 and 2012, the number of Canadian tourists arriving on the island fell slightly to 72.0 thousand with a further fall to 67.3 in 2013.

Although tourists arriving from Trinidad and Tobago and other CARICOM countries declined by an average of -2.65% and -3.88% per annum respectively between 2007 and 2010, the most pronounced fall was in tourists arriving from the UK, which amounted to -5.15% per annum over the same period. The credit crunch and recessionary pressures were likely to have played some part in the decline in demand from these markets, but demand from the UK was probably also weakened by the sharp increases in air passenger duty (APD) from February 2007, as detailed in Table C18 and depicted in Figure C11. Increases in APD also significantly affected the number of UK cruise tourists taking fly-cruises based in Barbados. Some improvement in the competitive position of Barbados can be anticipated when the re-banding of APD reduces the burden of this tax on UK visitors to the Island after April 2015.

Table C18.UK Air Passenger Duty Chronology 1993 to 2015.

Effective Date	Rates Applicable to Barbados (£)		Remarks
	Standard	Lowest	
1 Nov 1994	10	10	
1 Nov 1997	20	20	
1 April 2001	40	20	
1 Feb 2007	80	40	Doubled
1 Nov 2009	100	50	Band C
1 Nov 2010	150	75	Band C
1 Apr 2012	162	81	Band C
1 Apr 2013	166	83	Band C
1 Apr 2015	142	71	Band B

Source: IATA

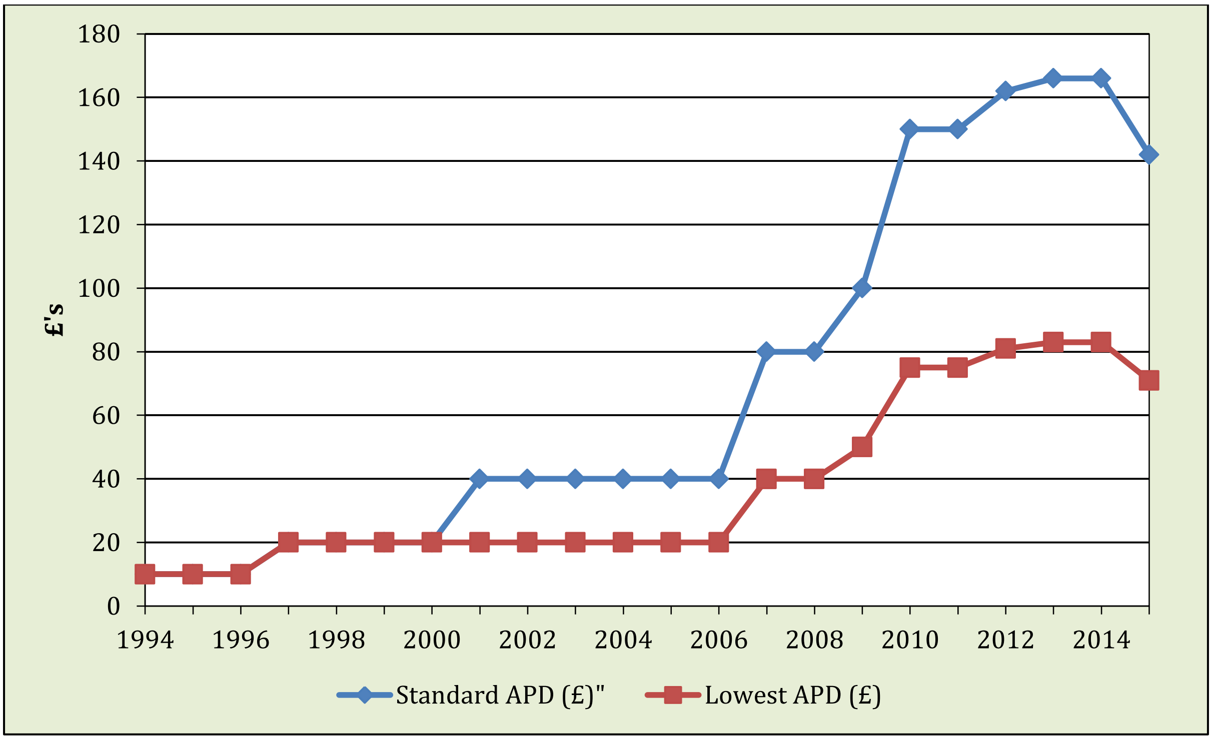


Figure C11. Increases in UK APD from 1994 to 2015 (Source: G.P. Wild (International) Limited from IATA information).

A more regional view is taken in Table C19, from which it can be seen that over the six year period 2008 to 2013, tourists from all regions have decreased at a modest rate of around two per cent per annum on average, with tourist numbers from Europe falling by three per cent per annum over the same period.

Table C19. Comparison of principal source markets for land-based tourists to the Caribbean by Region 2008 to 2013.

Region	2008	2009	2010	2011	2012	2013	Av. Annual Growth (%)
	('000s)						
Europe	251.8	220.7	212.2	225.0	210.6	209.8	-3.00
North America	189.1	186.1	207.4	214.4	202.8	187.9	-0.11
Other	126.8	111.8	112.6	128.4	122.9	110.8	-2.22
Total	567.7	518.6	532.2	567.8	536.3	508.5	-1.82

Source: CTO

The Caribbean has for a long time been the principal cruise region worldwide. Although growth has slowed in recent years, it retains this primacy on account of its suitability for all-year-round cruising and its proximity to the USA, which, despite strong growth in Europe and elsewhere over the last decade, remains the largest source market for cruise tourists.

As detailed in Section 1.3.1.6, cruise activity in the region is dominated by the deployment of substantial numbers of very large cruise ships of 2,500 or more passenger capacity, so that for ports to succeed in this market, it is important to provide suitable facilities for these ships. As the Caribbean is dominated by mass-market ships catering for a US-oriented clientele, Anglophone ports such as St. Thomas in the US Virgin Islands, San Juan, Puerto Rico and the ports of the British West Indies are likely to be at an advantage compared with non-Anglophone ports.

However, the success of islands in the Dutch West Indies, such as St. Maarten (Philipsburg), Aruba (Oranjestad) and Curacao (Willemstad), proves that any such perceived cultural disadvantage can be overcome with the correct planning, pricing and marketing. Moreover, as has been noted, the European market, as a source for cruise passengers, has been growing rapidly and at a faster rate than the North American market, although there are signs that this growth is slowing, as the credit crunch and the euro zone crisis hit vulnerable countries in Southern Europe, such as Greece, Italy, Portugal and Spain, together with Ireland.

From Table C20 it can be seen that in terms of cruise tourist arrivals in 2012, Barbados ranked in 13th position out of the 35 Caribbean destinations listed.

Table C20. Cruise passenger arrivals at Caribbean destinations 2003-12.

Country/ Territory	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	Unit = 1,000									
Bahamas	2,970.2	3,360.0	3,078.7	3,076.4	2,970.7	2,861.1	3,255.8	3,803.1	4,161.3	4,434.2
Cozumel	2,708.9	2,862.0	2,519.2	2,322.8	2,488.2	2,569.4	2,221.7	2,911.1	2,871.1	2,739.7
US Virgin Islands	1,773.9	1,964.7	1,912.5	1,901.3	1,917.3	1,757.1	1,582.3	1,858.9	2,009.0	1,904.5
St Maarten	1,171.7	1,348.5	1,488.5	1,421.6	1,421.9	1,345.8	1,215.1	1,512.6	1,656.2	1,753.2
Cayman Islands	1,819.0	1,693.3	1,799.0	1,930.1	1,715.7	1,553.1	1,520.4	1,597.8	1,401.5	1,507.4
Jamaica	1,132.6	1,099.8	1,135.8	1,336.9	1,179.5	1,088.9	922.3	909.6	1,125.5	1,320.1
Puerto Rico	1,235.0	1,390.3	1,315.1	1,338.0	1,437.2	1,392.6	1,232.0	1,194.0	1,124.4	1,051.7
Belize	575.2	851.4	800.3	655.9	624.1	597.4	705.2	764.6	724.5	640.7
Haiti	382.0	289.2	368.0	450.0	482.0	500.0	439.0	538.0	596.6	609.9
Aruba	542.3	576.3	552.8	591.5	481.8	556.1	606.8	569.4	599.9	582.3
St Lucia	393.2	481.3	394.4	359.6	610.3	619.7	699.3	670.0	630.3	571.9
Antigua & Barbuda	385.7	522.8	466.9	471.6	672.8	580.9	712.8	557.6	606.5	551.2
Barbados	559.1	721.7	563.6	539.1	616.4	597.5	635.2	664.7	619.1	517.4
Curacao	279.4	219.4	276.2	321.6	340.9	226.9	423.1	383.0	400.9	431.6
British Virgin Is.	300.0	466.6	449.2	440.0	575.2	571.7	530.3	*501.5*	484.7	390.6
Bermuda ①	226,1	206.1	246.8	335.9	354.0	286.4	318.5	347.9	416.0	378.3
Dominican Rep.	398.3	456.3	289.8	303.5	384.9	417.7	496.7	352.5	347.9	338.2
Dominica	177.0	380.6	301.3	379.5	349.4	463.4	532.4	518.0	341.5	266.2
Grenada	146.9	229.9	275.1	218.8	270.9	292.7	342.8	333.6	309.6	242.5
Martinique	268.5	159.4	93.1	95.8	71.7	87.1	69.7	74.6	41.1	93.5
St Vincent Grenadines	65.0	74.7	69.4	106.5	105.8	67.5	149.5	111.0	88.9	77.0
Anguilla	0.0	6.0	5.0	6.0	4.0	1.0	2.0	2.0	57.1	64.2
Trinidad & Tobago	55.5	54.3	67.2	85.6	76.7	44.0	83.7	71.8	60.3	49.1
Bonaire	44.6	53.3	40.1	61.8	97.6	175.7	272.0	283.0	216.0	n.a
Colombia	43.0	49.0	48.0	51.0	127.0	228.0	347.0	296.0	n.a	n.a
Costa Rica	275.0	318.0	280.0	346.0	322.0	320.0	366.0	385.0	n.a	n.a
Cuba	20.0	5.0	17.0	30.0	7.0	5.0	4.0	2.0	n.a	n.a
Guadeloupe	195.0	130.0	104.0	73.0	72.0	91.0	115.4	195.1	n.a	n.a
Honduras	162.0	267.0	277.0	205.0	297.0	434.0	430.0	803.0	788.0	n.a
Montserrat	0.9	0.4	0.3	0.0	0.3	0.3	0.2	0.9	n.a	n.a
Nicaragua	6.0	7.0	13.0	15.0	21.0	60.0	56.0	37.0	n.a	n.a
Panama	224.0	290.0	255.0	256.0	163.0	234.0	311.0	331.0	n.a	n.a
St Kitts & Nevis	150.0	255.0	220.0	206.0	254.0	402.0	451.0	515.0	588.0	n.a
Turks & Caicos	49.7	17.1	0	295.0	379.9	405.0	513.9	662.0	670.0	n.a
Venezuela	98.0	132.0	135.0	163.0	142.0	112.0	80.0	n.a	n.a	n.a
Total	18,834.6	20,938.4	19,857.3	20,389.8	21,034.2	20,945	21,643.1	23,757.3	22,947.8	

① Although not, strictly speaking a Caribbean island, Bermuda is a member of the Caribbean Tourism Organisation and is also now increasingly a calling-point on Caribbean cruises ex-New York.

Source: CTO/ WTO & Individual country sources

Although Barbados is located in the Southern Caribbean, it should be noted that in the minds of the cruise lines, this area is often linked with the Eastern Caribbean, and this combined area is sometimes thought of as a single cruising ground (see Figure C7).

A voyage to the Eastern Caribbean primarily involves cruise tourists embarking at the three principal Florida ports of Miami, Port Everglades and Port Canaveral, and visiting destinations in a string of islands on the eastern fringe of the Caribbean basin, particularly in the group formerly known as the Leeward Islands: Puerto Rico, the British and US Virgin Islands, St. Maarten, St. Kitts, Antigua and Guadeloupe. Southern Caribbean destinations are more likely to be visited on cruises embarking at various island hubs, including San Juan (Puerto Rico), La Romana and Santo Domingo (Dominican Republic), Bridgetown (Barbados) and Oranjestad (Aruba). The principal destinations include the islands designated as the Windward Islands, i.e. Dominica, Martinique, St. Lucia, St. Vincent, Barbados and Grenada, together with the "Deep Caribbean" destinations of Trinidad and Tobago and the three Dutch "ABC" islands, Aruba, Bonaire and Curacao.

Regarding the Leeward and Windward Islands groups, it is important to note that distances between the various islands are not extensive and thus there are no geographic factors that disadvantage Barbados in relation to its neighbours. Itineraries thus might include any combination of islands within these two regions. As can be seen from Table C13(refer Section1.3.1.7), cruise operations in the Eastern and Southern sectors of the Caribbean are expected to account for approximately 2.6 million cruise passengers in 2013, around a third of the total market. However, as cruises in these sectors are generally longer than those in the Western Caribbean and Bahamas, their share by passenger-nights or bed-days (also called available capacity) is 41%, as can be calculated from Table C14(refer Section1.3.1.7).

1.3.2.2 Barbados and Cruise Tourism – The Present Position

Barbados is a well-established destination in the Southern Caribbean, with the main port of Bridgetown operating both as a turnaround port and a port-of-call. It is noteworthy that turnaround calls at Barbados are aided by good infrastructure with ready access to the Grantley Adams International Airport, which is located 18 kilometres (11 miles) from the port.

As a turnaround port, Bridgetown operates primarily in the Eastern and Southern Caribbean markets with two typical itineraries as below:

1. A14-night cruise: Bridgetown (I night on board) – Bonaire – Day at sea – Aruba – Ocho Rios, Jamaica – Day at sea – Grand Turk – Day at sea – St. Maarten – Antigua – Dominica – St. Lucia – 2 days at sea – Bridgetown.

2. A 14-night cruise: Bridgetown– Grenada – Trinidad – Day at sea – Bonaire – Aruba – Grand Cayman – Ocho Rios, Jamaica – Day at sea – Tortola, BVI – St. Kitts – Antigua – Dominica – Bridgetown.

Some turnarounds also relate to cruises to South American destinations. As a port of call Barbados features similarly on Eastern and Southern Caribbean routes.

Evidently, from Figures C12 and C13, the source markets for cruise tourists that embark and disembark at Bridgetown are significantly different to those in transit, with the UK (87%) and other European (7%) sources dominating the market for embarkations. For transit calls, the position is completely reversed, with North Americans accounting for 81% of this traffic in comparison to the UK with 7%, Germany with 9% and other Europeans accounting for 3%.

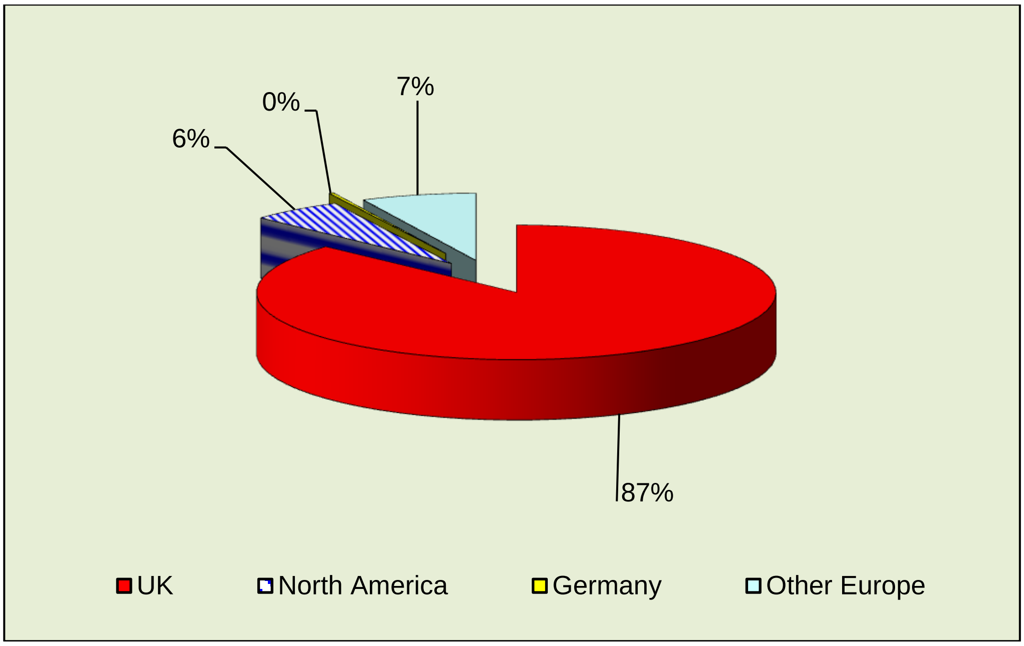


Figure C12. Source Markets for Barbados Embarkations 2012 (Source: G.P. Wild (International) Limited).

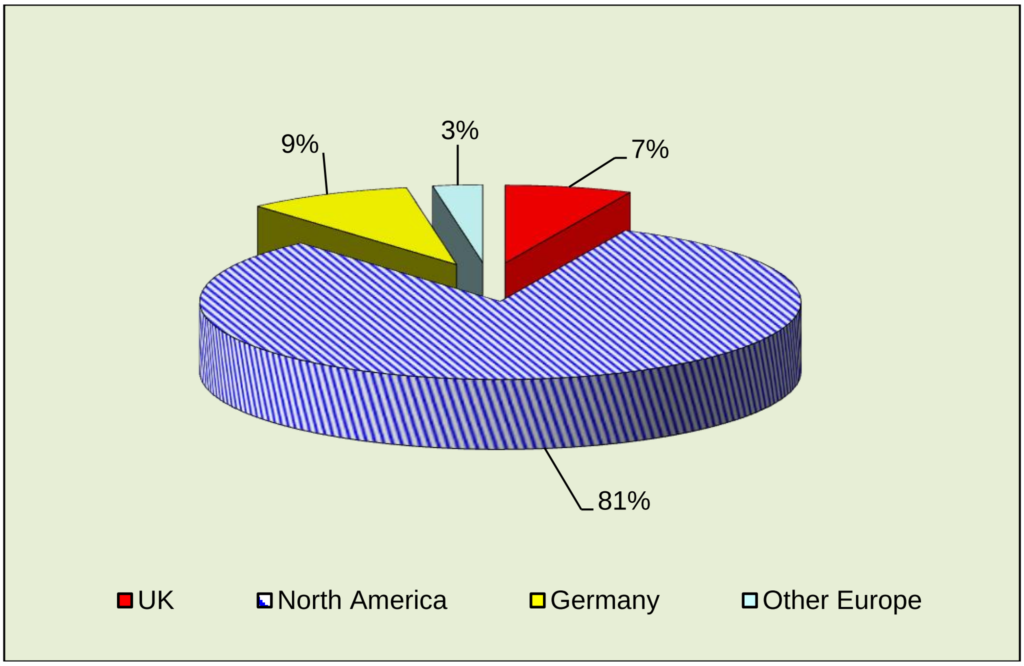


Figure C13. Source Markets for Barbados Transit Calls 2012 (Source: G.P. Wild (International) Limited).

It is interesting to note from Table C21 that Barbados is presently securing a large share of the German-sourced cruise tourists that are visiting the Eastern and Southern sectors of the Caribbean cruise market, but has yet to replicate this success in relation to cruise tourists visiting these two cruising grounds from other European countries.

Table C21. Barbados' share of Eastern and Southern Caribbean Cruise market 2012.

Source	Regional Total	Barbados' Share	% Visiting Barbados
North America	2,199	385	17.5
UK	191	108	56.5
Germany	55	43	78.2
Other Europe	126	19	15.1
Total	2,571	555	21.6

Source: G. P. Wild (International) Limited

As it seems reasonable to anticipate that there may well be a further decline in demand for cruises in these two regions from UK residents, it would seem that there could be good opportunities for Barbados to further develop visits to the island from other parts of Europe, as well as Germany.

1.3.2.3 Existing Cruise Facilities at Bridgetown

Cruise facilities at the Bridgetown Port, which is operated by Barbados Port Inc., an agency of the Government's Ministry of Tourism and International Transport, comprise 829 metres of breakwater, which provide eight berths, capable of receiving up to six cruise vessels. There is also a 2,000 square metre terminal, which includes 20 duty-free shops with access for 200 taxis plus tour buses. Facilities for taxis have recently been improved with the construction of a "dispatch terminal" for taxis meeting cruising ships at the port.

The Port has a 40% repeat factor, which is believed to be the highest in the Caribbean however it is seen by some as not being very attractive and needs some "beautification" (TDC funding might be used for this purpose). The Port has plans to separate cargo operations from cruise operations. Generally this is seen as a good idea by persons both internal and external to the port. There is also a vision for the port develop as a cruise 'hub' in the Southern Caribbean and increase the economic benefits gained by Barbados from cruise tourism. The Port could become an alternative to Puerto Rico.

In comparison to cargo operations, cruise activity generates modest levels of revenue for the port, amounting to around BDS$7 million for cruise against BDS$60 million from cargo.

The development of a summer strategy that encourages cruise ships to turnaround in Barbados between April and October and offer cruise and stay packages is under consideration. Specific cruise lines will be targeted as part of this strategy. A similar programme for the winter months with Virgin, which was linked to Carnival, was successful and stabilized the market.

1.3.2.4 Implications for Barbados of the Changing Structure of the Cruise Fleet

For the purposes of this report, the structure of the cruise ship fleet is defined as follows:

- Ultra-large - ships that can carry 3,500 passengers or more and exceed the current maximum permitted beam of 32.25 metres for ships that wish to transit the Panama Canal. Such ships are defined as ultra-large post Panamax vessels
- Post-Panamax - vessels with a capacity in excess of 2,500 passengers
- Panamax - between 1,750 and 2,500 passengers
- Large - ships carrying 1,000 or more passengers
- Medium - 500-999 passenger capacity

- Small - vessels below 500 passenger capacity

Presently and in the future, the mix of cruise ship types, as defined above, will vary as the requirements of the cruise tourism industry evolve. The trend is towards the construction and commissioning of ultra-large cruise ships. This is leading to a relative decline in the importance of large, medium and small cruise ships. This trend is expected to continue in the future (refer Table C8 in Section 1.3.1.3).

The changeover to these very large cruise ships is happening very quickly, as can be seen from Figure C14, which shows the changes of the structure of the Caribbean cruise ship fleet over the last three years from 2010 to 2012. From this Figure, it can be seen that capacity increases occurred in the ultra large and post-Panamax fleets, with all other types declining somewhat, with the exception of the medium group which registered a small increase in capacity in 2012.

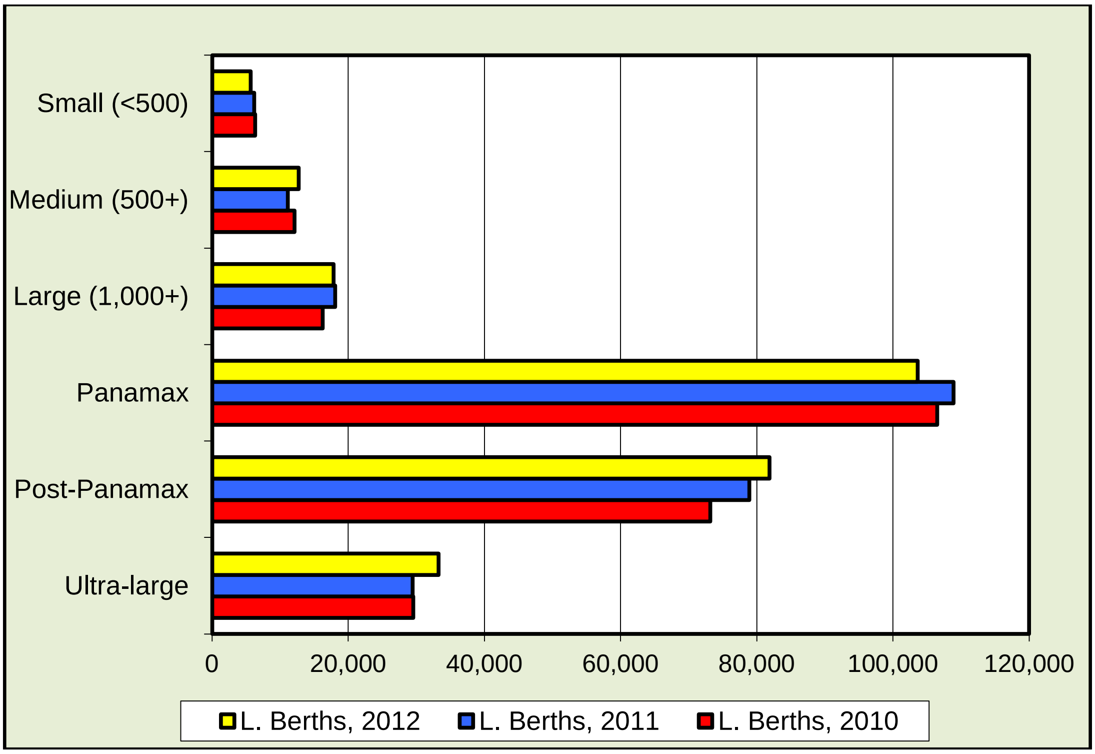


Figure C14. Changing structure of the Caribbean Fleet 2010-2012 (Source: G.P. Wild (International) Limited).

At present, as depicted in Figure C15, there are no vessels of the ultra-large size range using Bridgetown. This increasingly important category currently makes up 13% of the total static capacity in the region, and as is evidenced in Table C8 (refer Section 1.3.1.3), is set to grow further in the future.

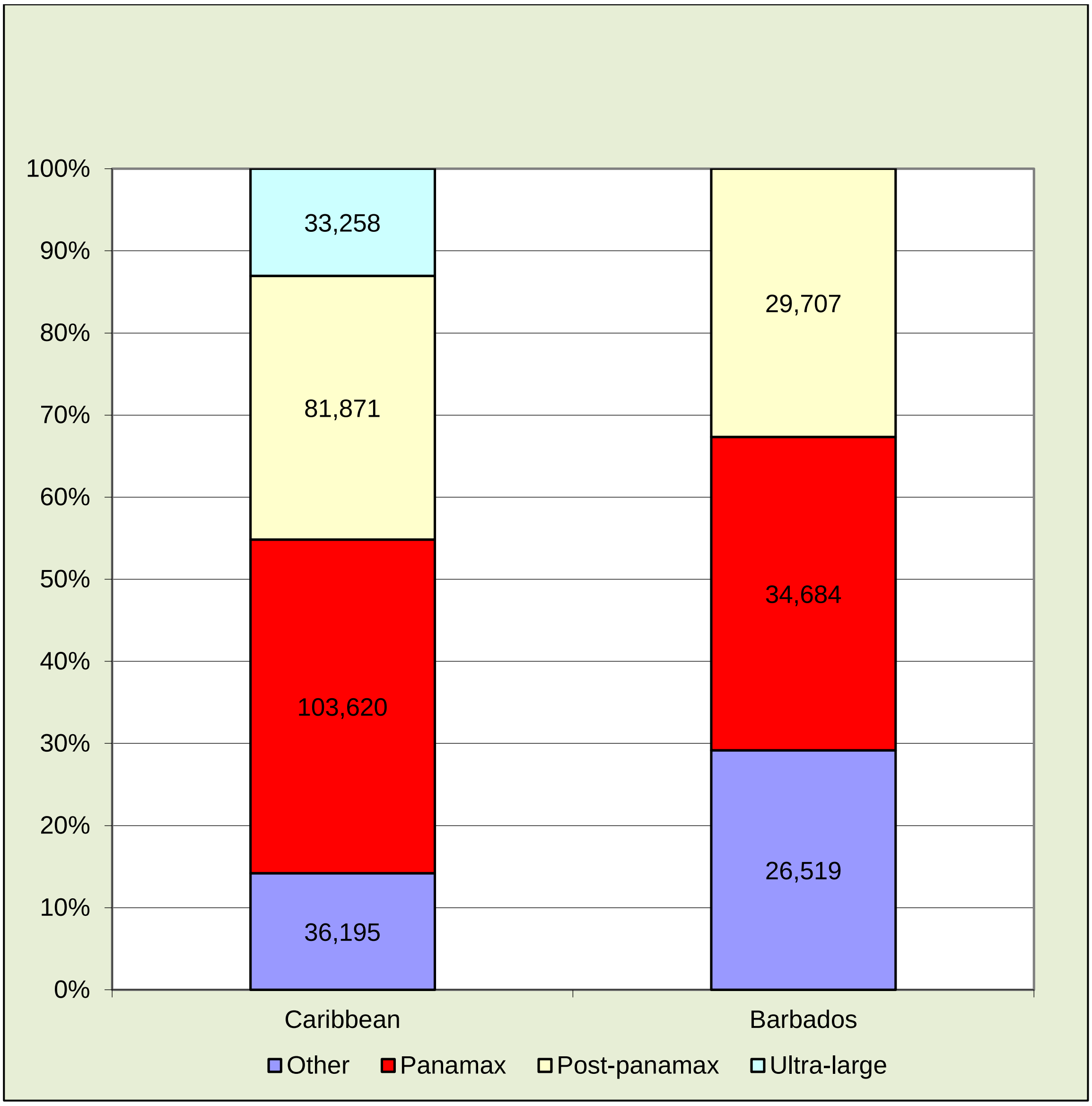


Figure C15. Types of Cruise Ship Calling at Barbados compared to Caribbean Fleet 2012 (Source: G.P. Wild (International) Limited).

With regard to post-Panamax ships, the position is almost equal with 33% of the fleet visiting Bridgetown against 32% for the total Caribbean, and similarly 38% of berths for Barbados are on Panamax ships, compared with 41% for the Caribbean as a whole. Perhaps most tellingly is the fact that the rest of the fleet accounts for 29% of ships using Bridgetown against 14% for the region as a whole.

Although smaller vessels will continue to have their appeal, they are declining in importance, and in the future, full participation in the Caribbean cruise market on the part of destinations such as Barbados will depend on an ability to attract ships across all size-ranges, but especially at the top end of the capacity range.

Thus it is reasonable to conclude that post-Panamax ships, and most especially those in the ultra-large category (refer Table C8 in Section 1.3.1.3), are set to increase in the years ahead and will dominate the capacity supplied to the cruise market. In these circumstances, it would seem that there is a strong case for Barbados to develop facilities which can handle the large numbers of passengers carried by the ultra-large ships, and at the same time provide retail and other facilities that will enable the island's economy to maximize its gains from the cruise industry as has been done successfully at St. Maarten and elsewhere. This will require the provision of larger berths than are presently available at the port of Bridgetown, together with suitable supporting infrastructure that is designed to maximize the benefits that can accrue from visiting cruise ships and cruise tourists to Barbados and the local community.

1.3.2.5 Future Development Plans of the Port

The need for new port facilities capable of handling the modern, ultra-large cruise ships has been recognized by the Government of Barbados, and in September 2012, the Sugar Point Cruise Development was officially launched by the then Ministry of International Business and International Transport.

The development is being led by Barbados Port Inc., and will be undertaken by SMI Infrastructure and Royal Caribbean Cruise Lines in a joint venture. Construction will be undertaken by contractors *Weekes Marin, Inc.* in two phases.

It is estimated that the first phase will take two years and cost $300 million. It will involve the construction of two piers, each able to berth two large cruise ships alongside and the reclamation of 15 acres of waterfront. This will provide 100,000 square feet of land for commercial activity. Final designs are being prepared now and a concession model is being used to offset costs; phase 1 should be in place by 2016.

A marina is also planned for which a memorandum of understanding has been signed.

The main issue with the new port design is wave energy. Modeling indicates that the new berths will be able to meet all the requirements of the cruise ships using the port.

The new berths are to be located close by, but outside the existing port, and will have the advantage of separating the cruise tourism traffic from normal cargo operations.

Phase 2 is expected to start in 2018 and is subject to sufficient demand being generated by the new berths created in Phase 1. This would involve the construction of an additional pier capable of berthing another two large cruise ships alongside. If required, a further alongside berth may also be constructed along the waterfront.

In consultations held with various interested parties by the consultants, concern was expressed by some that the proposed new berths were in the wrong place, had insufficient water alongside, and were too exposed to the weather. A preference for common user berths, rather than operator allocated berths, was also expressed by some.

1.3.2.6 The Economic Impact of Cruise Tourism in Barbados

In terms of the economic impact of cruise tourism, the FCCA indicated that in 2011/12 (2008/9) expenditure for Barbados amounted to US$53.7 million (US$53.6 million), generating full time equivalent employment of 1,794 (1,665) personnel and wage income of US$18.3 million (US$17.2 million). The total expenditure included passenger expenditure during onshore visits of US$39.8 million (US$42 million) by 606,800 (608,100) passengers at an average of US$65.60 (US$69.10) per passenger. This is 31.6% (29%) below the average for the Caribbean region of US$95.92 (US$97.26). In addition, some US$5.9 (US$6.4) million accrued from 120,000 (117,900) crew visits, an average of US$48.90

(US$54.26), again some 49.6% (39.2%) less than the regional average of US$96.98 (US$89.24). The balance of US$8.0 (US$5.2) million in cruise tourism expenditure was made up by cruise line expenditure.

Whilst the cruise line expenditure increased in 2011/12, it is clear from these figures that in terms of passenger and crew expenditure, the performance of Barbados deteriorated in comparison to many other destinations in the region over the last three years. A comparative analysis of the position of Barbados and its competitors is provided in Figure C16 from which it can be seen that St. Maarten is now the market leader, having taken over from the US Virgin Islands in the period being discussed here.

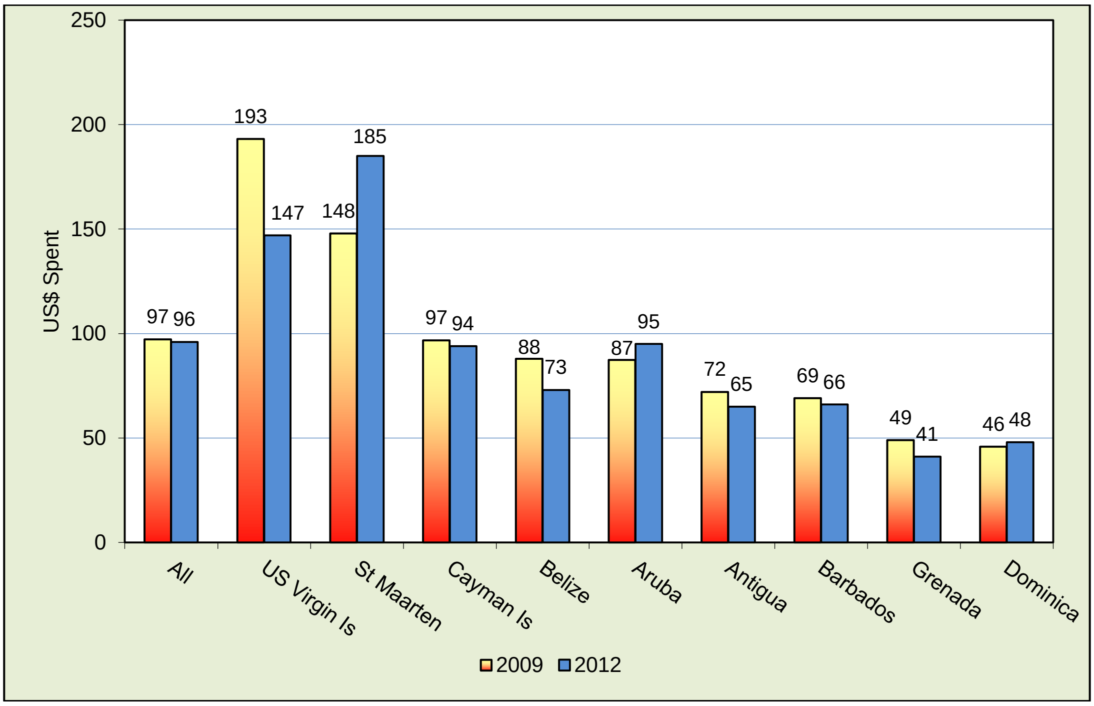


Figure C16. Comparative passenger onshore spend at selected Caribbean destinations 2009-2012 (BREA/FCCA).

Evidently, of the destinations shown in Figure C16, St. Maarten, Aruba and Dominica were the only other islands that achieved growth in passenger expenditure over this period. The increase in expenditure in Aruba brought this island close to the overall average.

With respect to expenditure from cruise tourism, it should be noted that it is new money that would otherwise be spent elsewhere that goes directly in to a local economy. This is net new spending, and there is little or no leakage. The cruise industry brings monies to Barbados that the island cannot get in any other way. Almost all the money spent will stay within the economy of the island and will not leak away to somewhere else.

Typically around 80% of this expenditure goes into the surrounding city (destination) and 20% to the port. Normally the majority of the benefits can be expected to fall within a two hour drive from a port. However, as can be seen from Figure C16, the actual expenditures can vary considerably between destinations – the better the offer and the more satisfied the cruise tourists and crew members are, the more they spend.

Research in Norway conducted by the Norwegian Institute of Transport Economics in 2011 investigated the extent to which cruise passengers live up to survey responses: that they are very satisfied with their cruise and shore-excursions, and would like to return to Norway later on their own to experience more.

In 2011, the Institute of Transport Economics carried out a survey of foreign tourists to Norway. Subjects were asked if they had visited the country previously and the nature of their visit. The results are that approximately 80,000 tourists had visited Norway previously on a cruise, and that these tourists on average spent 9.1 nights in the country in 2011. The total number of guest nights from former cruise passengers can therefore be estimated at some 731,000.

About 73% of these guest nights stayed in commercial premises establishments such as hotels and camp sites, which means that former cruise passengers accounted for approximately 5% of commercial guest nights sold in Norway during the summer of 2011.

Total spending from these guests was estimated to be NOK 450 million[2] (US$81.9M[3]). In comparison, cruise ships, crew and passengers spent an estimated NOK 2 billion (US$364.1M) in Norway in 2011. This suggests that an additional increase of 22.5% was generated by the previous cruise tourism traffic in that year. If the figures presented earlier for Barbados included such an uplift, which they do not, then the total value of cruise tourism could be estimated to be US$65.8 million, an increase of US$12.1 million.

In relation to the last estimate, it should be noted that the consultants are not aware of any similar research being undertaken elsewhere, and would therefore suggest that the figures provided are used for guidance only.

1.3.2.7 SWOT Analysis

Strengths of Barbados in relation to cruise tourism:

- Location of the island means that geographically it is in an excellent position to receive cruise tourists flying in from the UK, Europe and Brazil and other parts of South America
- No visa is required to visit Barbados
- Barbados has a strong image as a holiday destination, especially in the UK
- It is seen as a friendly, safe and secure place to visit on a cruise and a good place from which to cruise
- Barbados has many attractions to visit and excellent beaches
- It has a number of unique selling points (USPs) including UNESCO World Heritage designation of Historic Bridgetown and its Garrison and the fact that the first rum was made on the island

Weaknesses of Barbados:

- Compared to some other parts of the Caribbean, Barbados is relatively expensive
- In some parts, especially in some areas of Bridgetown, Barbados looks tired, run down, dirty and unkempt
- It has not moved with the times
- Signage is poor and sometimes located in less than ideal places
- Road marking is poor and the quality of the road surfaces are variable
- Cruise tourists are indicating that they are not too likely to return to Barbados for a land-based vacation

[2] Per-Erik Winther of Horwath HTL Norway.
[3] US$ 1 = 5.49292 NOK on 6th February 2013

- Present berths at Bridgetown are not able to handle the new ultra-large cruise ships that are increasingly being commissioned

Opportunities:

- Despite difficult market conditions in the primary traditional cruise tourism source markets, Barbados has the opportunity to develop some potential new source markets in Europe such as Germany, Scandinavia (Norway, Sweden, Finland and Denmark), Benelux (Belgium and Luxembourg), Switzerland, Eastern Europe and Russia
- Similarly, there are opportunities in South America where cruise tourism has been expanding rapidly in Brazil and to a lesser extent in Argentina
- There may also be opportunities in the longer run in Central America(Mexico) and elsewhere such as South Africa
- Impact of ECAs in North America and Puerto Rico makes these ports less competitive to operate from than ports such as Bridgetown which is outside these areas
- To grow the spending levels of cruise tourists visiting Barbados and increase the economic benefits of this traffic to Barbados

Threats:

- Further increases in the Air Passenger Duty (APD) by the UK government
- Further increases in the price of bunker fuel
- Insufficient budgets to exploit the opportunities to develop new source markets
- Poor airlift to some prospective new source markets
- Inclement weather, especially hurricanes
- A major health scare

1.3.3 Strategic Action Plan for Barbados

1.3.3.1 Strategies and Actions for Barbados

Strategies and actions developed from the results of research in cruise tourism and the role of Barbados are presented in Section 1.3.3.6. Most have been designed to enhance the offer that is made in Barbados to cruise tourists and to crew members that come ashore from visiting cruise ships. Some will also improve the offer that is made to land-based visitors as well (see Actions 7.1-1 to 7.1-9).

1.3.3.2 Regional Strategy towards Cruise Tourism

With its excellent Grantley Adams International Airport and its easterly location Barbados is very well placed to act as a hub for fly-cruise operations out of Europe and Brazil as can be seen from Figure C17.

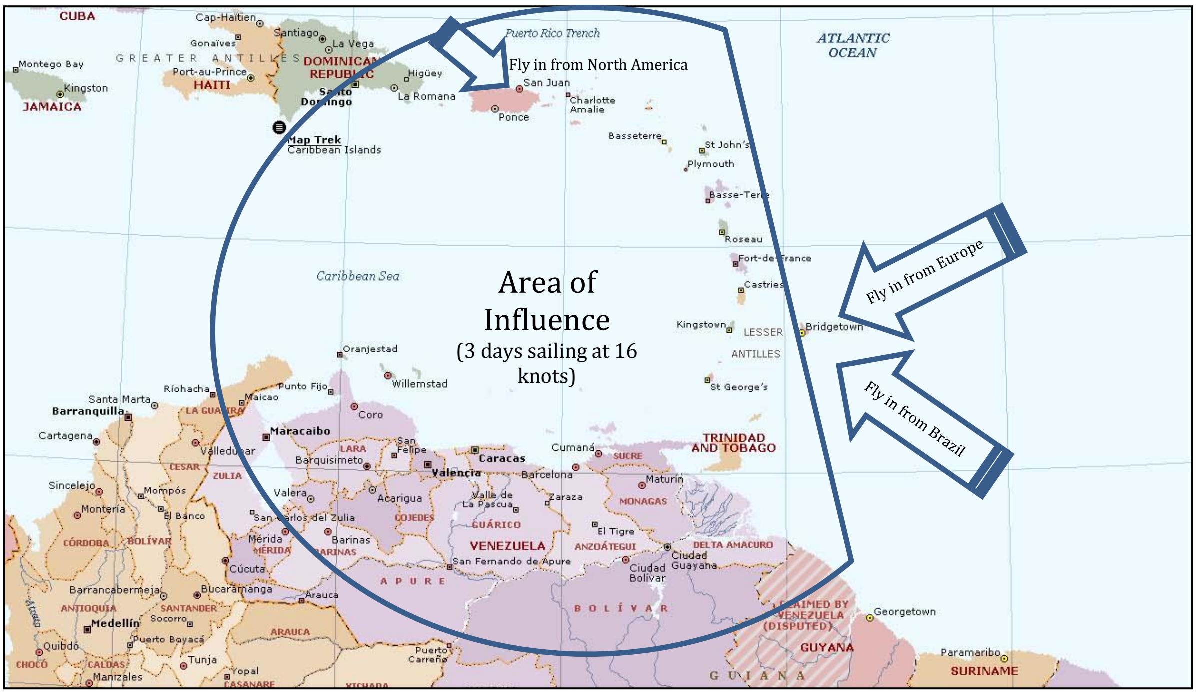


Figure C17. Barbados – Area of Influence as "Hub" for Cruise Tourism in the Southern Caribbean.

Given the high price of bunkers at present, cruise lines are normally choosing to operate at slower speeds than has historically been the case. The area delineated inFigure C17 is approximately how far a cruise ship could travel on a seven day closed jaw cruise from Barbados at 16 knots. This can be regarded as the primary area of influence for fly cruise operations based in Barbados. Thus it should be beneficial for those ports and destinations that receive cruise tourists within this area to have suitable arrangements in place to enable them to co-operate to mutual advantage and promote the region as a whole to the cruise industry. To this end, the consultants feel that, with the co-operation of the destinations within the primary area of influence, a suitable promotional organization, which for the purposes of this report is referred to as the 'Southern Caribbean Cruise Association' should be formed. Action 7.1-2 proposes the setting up of such an organization. Since the time of TMP preparation, a Southern Caribbean Cruise Alliance was established in September 2013.

Interestingly, two Italian based cruise lines, Costa and MSC, chose to operate from the Dominican Republic despite a longer flight time, but do not appear to operate as far South as Barbados.

It would seem that there may be an opportunity to promote Barbados to these lines either as a port of call and/or as a turnaround port, especially as the Dominican Republic ports of La Romana and Santo Domingo are both in the area of influence shown in Figure C17.

1.3.3.3 Strategies and Actions towards Traditional Source Markets

United States and Canada

The marketing and promotional efforts on behalf of Barbados and the Caribbean, including annual attendance at Cruise Shipping Miami, are well established and should be maintained. There is some evidence that the United States market is swinging upwards after a difficult couple of years, with booking levels in this year's wave season running well ahead of the previous year. The planned introduction of ECAs in the United States, Canada and Puerto Rico in 2015 could make cruising in the Southern Caribbean more attractive to the cruise lines operating from North America, unless some suitable technical solution can be found that will allow cruise ships to comply with the new stringent emissions regulations but continue to burn the cheaper heavy fuel oils.

United Kingdom

As shown in Figure C11 (refer Section 1.3.2.1), the rapid and substantial increase in the level of air passenger duty on UK flights since 2007 appears to have had a significant negative impact on UK demand, and led to a major reduction in the numbers of cruise tourists arriving at and departing from Barbados.

Initially it was recommended by the TMP that the Government of Barbados and other countries in the Caribbean bring the maximum amount of pressure to bear on HM Government to reduce this tax. Currently there are signs that this is occurring with the re-banding of the APD that will, from April 2015, reduce the burden of this tax on visitors to the Island. It is currently recommended that this pressure be maintained with the objective of securing further reductions in this tax in the future.

Despite the reduction in the level of UK cruise tourists coming to Barbados, this still represents the largest group of cruise tourists arriving on the island from Europe. Thus it is suggested that marketing and promotion of Barbados in the UK should continue.

1.3.3.4 Strategies and Actions towards non-Traditional Source Markets

Northern Europe

In contrast to the UK, cruise tourist arrivals in Barbados from Germany and other parts of Europe are increasing despite the euro zone crisis and the difficult economic conditions that are to be found in some European countries. In addition, in the years ahead, Germany is expected to overtake the UK to become the largest source market in Europe for cruise tourists. This represents a major opportunity for Barbados that needs to be built on in order to fill the gap in the market that has been created by the declining numbers of cruise tourists arriving from the UK. Budgets are limited and as detailed in Action 7.1-3, the approach to Germany and other parts of Europe needs to be carefully thought through. A spray gun approach to promotion and marketing should be avoided.

Russia and Eastern Europe

The standard of living in Russia and other parts of Eastern Europe both inside and outside the EU, such as in Poland, Estonia, Latvia and Lithuania, is generally lower than Germany and the countries in Scandinavia and elsewhere in Northern Europe. We would see the development of cruise tourism to Barbados from such countries to be secondary to the first tier countries that have been discussed in the above section on Northern Europe.

The fact that Barbados does not require a visitor to have a visa is a major plus for Russians, and therefore a useful selling point. Many Russians are taking holidays in Turkey, Egypt and in the Arabian Gulf. Exploratory talks with interested travel agents and tour operators in Moscow would probably be worthwhile if the political problems in relation to Ukraine are solved peacefully.

South America

Like Germany and other parts of Europe, cruise tourism in Brazil and to a lesser extent Argentina is growing rapidly, but is confined to a relatively short season similar to the high season in the Caribbean. It should be possible to extend the Brazilian season by encouraging Brazilians to cruise the Southern Caribbean from Barbados. Ships could home port at Bridgetown, and Brazilians could fly in and out of Grantley Adams international Airport. Action 7.1-3 is proposed as a means to achieving such an objective.

Other Markets

In addition to the strategic developments alluded to in this Master Plan, an outlook should also be maintained for further opportunities that may be open to Barbados. Cruise tourism is developing at present in South Africa, for instance. With suitable airlift, it is possible to envisage that South African cruise tourists could be encouraged to enjoy fly-cruise products based on the island, perhaps over the winter period in the Southern hemisphere.

1.3.3.5 Integration of Recommended Actions

Actions 7.1-1 to 7.1-9 that were developed for cruise tourism address policy statements from the White Paper (Strategic Solutions Inc., 2012, p. 250) relative to cruise and maritime transportation. They include:

> "*Continuously improve and provide quality product offerings and exciting, memorable touring experiences with the object of increasing the disembarkation ratio and customer satisfaction index that should result in repeat visitation and increased cruise passenger spend*"; and
>
> "*Upgrade cruise ship infrastructure and services provided to meet international standards and market demand*".

Many strategies and actions recommended in other parts of the TMP relate directly to cruise tourism. For example, those that address improving the visitor experience and improving the movement of people around the island will result in enhanced cruise passenger experiences, thereby encouraging them to spend more money, talk positively to others about their experience, and ultimately make repeat visits to Barbados.

The actions recommended for enhancing Cruise Tourism are in support of Strategic Imperative 7 on '**Enhance the Cruise Tourism Product and Experiences**' and corresponding Strategy 7.1 which states: "*Improve infrastructure, products and services for the cruise tourism sector and develop new source markets*". These actions are presented in Section 1.3.3.6.

1.3.3.6 Actions Recommended for Cruise Tourism

7.1-1 Improve the Cruise Visitor Experience at the Bridgetown Port

Description:

To improve the walking and shopping experience for cruise tourists travelling from and returning to the port via the cruise terminal to ensure they have a first class experience that meets or exceeds international best practices

Expected Outcomes:

- Increased foot fall and spending by cruise tourists at cruise terminal
- Positive comments when networking with other prospective visitors to Barbados

Guidelines for Implementation:

- Have a "Welcome to Barbados" (or similar) sign that can be clearly seen by disembarking passengers on the port side of the terminal. The signs shown for Heraklion in Crete are examples of a modern signs that has proved to be successful (see Figure C18 on page 172)
- Advise that public toilets are NOT available in Bridgetown, but that toilets are to be found in shops and restaurants in the terminal
- Make the walk and shopping areas as safe, pleasant, clean and attractive as possible
- Make the walk and shopping areas suitable for use by physically challenged cruise tourists at all stages
- Key signposts (not all) should be bi-lingual (initially in English and German)
- Fly at least two (preferably more) highly noticeable flags outside the terminal
- Provide clear signposting in shops and restaurants to key facilities especially toilets including those provided for disabled people
- Encourage the provision of disabled facilities
- Ensure that shops and restaurants highlight on their doors or in their windows any language skills members of their staff might have, such as German
- Ensure that ALL cruise tourists and crew returning to their ship have to do so by walking through the retail areas of the terminal before being checked by security staff
- Increase the visibility of the representatives of the Bridgetown Cruise Terminal staff working at the terminal – a uniform or distinctive "T" shirt would be helpful (see Figure C18)
- Ensure that some Bridgetown Cruise Terminal staff members are located in the main retail section of the terminal (not in the office) offering guide maps and other useful information to cruise tourists in the friendly and pleasing manner
- Have a "Good Bye hope to see you again soon" sign (or similar) as the cruise tourists emerge from the security checks and make their way back on board their ship

Figure C18. Examples of modern signage at the Port in Crete (top and bottom left); distinctive uniform worn by port staff in Crete (bottom right).

Challenges With Implementation:

Relatively short time to plan and action this programme of improvements ahead of next high season for cruise tourism

Recommended Implementation Agency:

The management of the terminal and Barbados Port Inc.

Priority / Implementation Timeframe:

High/Short Term: This is viewed as an **urgent** priority action in the TMP Implementation Plan (refer Report I, Section 5.0) and should be implemented before the next high season for cruise tourism which starts in December 2014

Target Users:

All cruise tourists and crew

Who Benefits:

The beneficiaries will be businesses in the terminal and government through increased revenues

Risks:

The effort and improvements are not maintained and sustained in the medium to long term and adjusted and improved as required

Estimated Costs:

BDS$3,000 to 6,000 per sign

Source of Funds:

From existing budgets

Revenue Generation Potential:

Can be expected to increase the level of spending in the retail outlets in the terminal by around 30% (may be more)

Further Development Work Required:

- Develop an action plan for implementation
- Provide a budget and time schedule for the action plan
- Reallocate priorities and budgets to implement the action plan
- Enact implementation

Other Considerations: Linkages with Cultural Heritage and Attractions; Marketing, ICTs and New Media

7.1-2 Create a Southern Caribbean Cruise Association

Description:

To develop an effective strategy at regional level that will encourage sustained expansion of cruise tourism in the area. This would be done through the formation of a Southern Caribbean Cruise Association (SCCA), which will drive this process. This new organization, which would preferably be headquartered in Barbados, would coordinate the regional development of cruise tourism, with Barbados as the hub both politically and logistically. The key objective is to improve the experience and satisfaction levels of cruise tourists visiting the region and encourage further growth of the market throughout the region. This will make it a sustainable business in the longer term to the advantage and benefit of all.

Expected Outcomes:

Further growth of cruise tourism both at Barbados and in the region, with increased spending from the visiting cruise tourists and improved levels of returns of these visitors for land-based holidays and further cruises.

Guidelines for Implementation:

The Ministry of Tourism and International Transport should take the lead on this with the full support of Barbados Port Inc. A senior official with a suitable level of authority should be tasked directly to select and appoint a Director General (DG) for the new SCCA. The appointed DG should then form and run the new organization against an agreed budget. The DG could be a selected 'champion'.

Challenges With Implementation:

- Lack of political will at a regional level to form the Southern Caribbean Cruise Association
- Lack of suitable funds to form and sustain such an organization

Recommended Implementation Agency:

Appoint an official at the Ministry of Tourism and International Transport with direct responsibility to make the necessary appointment of a Director General (DG) who would form the SCCA

Priority / Implementation Timeframe:

High/Short Term: This is viewed as an **enabling** priority action in the TMP Implementation Plan (refer Report I, Section 5.0)

Target Users:

Relevant regional ministries, agencies, tourist authorities, chambers of commerce, port authorities and other interested parties

Who Benefits:

The beneficiaries will be other islands in the region together with the residents of Barbados, businesses in all sectors and Government through increased revenues from cruise tourism.

Risks:

- Unclear definition of jurisdiction between departments leading to inter-departmental conflicts of interest
- Funds not available for start-up

Estimated Costs:

About BDS$50,000 to BDS$100,000 (could be more or less) in the form of a loan that is to be repaid once the Association is established. The loan would cover the first year's salary of the newly appointed DG, office set up and marketing costs for the first year, and other miscellaneous costs such as travel and accommodation over the same period

Source of Funds:

- No clear source of funds at this time for start-up costs
- After formation, this association should be self-funding from fees obtained from members and associates in the private sector
- Consideration should be given to the provision of selected support funding for such activities as regional promotion. This should be shared at regional level through an agreed funding formula

Revenue Generation Potential:

None directly, but if successful, the new association should increase the number of cruise tourists visiting Barbados and other islands in the Southern Caribbean region to the benefit of all

Further Development Work Required:

- Hold a seminar to 1) establish the level of regional support for the concept of a Southern Caribbean Cruise Association; and 2) gain agreement and develop a plan to establish the new association. This should be organized by the Ministry of Tourism and International Transport and Barbados Port Inc. and supported by the Barbados Chamber of Commerce. Key officials and stakeholders in the region should be invited to this seminar.
- Provide a budget and time schedule for the establishment of the new association

- Enact implementation

Other Considerations:

7.1-3 Target New Source Markets for Cruise Tourism

Description:

- To target the German-speaking people of Germany, Austria, Luxembourg, Liechtenstein and Switzerland as one of the key source markets for Barbados, in addition to the traditional main markets of UK and North America
- Develop other European markets, initially focusing on countries with high standards of living that will find the prospect of sun, sand and sea in the winter months attractive. Initial focus should be on Norway, Sweden, Finland and Denmark. Later, the effort should be broadened to take in other countries such as Poland, the Czech Republic, Slovakia, Hungary Lithuania, Latvia, Estonia and Italy
- To develop South America, especially Brazil, as another key source market

Expected Outcomes:

- Sustained growth in visits to Barbados by German-speaking cruise tourists, and other Europeans, mainly *in* the traditional peak winter season for cruising
- Sustained growth in visits to Barbados by Brazilian and other South American cruise tourists, mainly *outside* the traditional peak winter season for cruising

Guidelines for Implementation:

- Barbados uses established marketing channels to reach its traditional markets in the UK and North America. These should also be utilized to reach the German, other European, Brazilian, and other South American markets
- An increase in the size of the marketing budget will be required as visits to cruise lines serving the German-speaking market in Europe, and the Brazilian and the South American markets will be needed
- Attendance at one or more selected trade shows in Germany or Northern Europe and South America (Sea trade) may also be necessary
- A person in the marketing team should be given specific responsibility to develop the German, other European, Brazilian and South American cruise tourism market with growth targets set over a 5 year time horizon
- Consideration should be given to appointing a German PR company which would be tasked to get Barbados and the southern Caribbean coverage as a holiday and cruise destination in the German travel press and magazines. Similarly, consideration should be given to appointing a suitable PR company that would be tasked to get Barbados and the Southern Caribbean coverage as a holiday and cruise destination in the Brazilian and South American travel press and magazines
- Similar arrangements should be considered in the other European countries that are targeted
- Consideration should also be given to making this effort in conjunction with the Southern Caribbean Cruise Association (refer Action 7.1-2). Any such appointment and campaign should be involve the relevant cruise lines
- As budgets are limited, a selective highly targeted approach should be adopted rather than a spray gun approach
- The marketing and promotional approach should be sustained for at least five years and

adjusted as required to reflect perceived changes in the market
- Improving airlift to Barbados from key European hubs in Northern Europe such as Frankfurt and Copenhagen should also be examined

Challenges With Implementation:

- Funding and sustaining the increase in the budget that will be required over a 5 year time period
- Ensuring that the increase in the budget is sufficient for the task
- Developing suitable literature for presentation to the German, other European, Brazilian and other South American markets
- Selecting the right person to successfully develop the German, other European, Brazilian and other South American markets

Recommended Implementation Agency:

- Barbados Port Inc. in collaboration with the BTA and other interested Caribbean destinations in the area through the Southern Caribbean Cruise Association or other similar organization
- As appropriate, these efforts should be supported by key stakeholders such as local tour operators, ships agents and suppliers at the destinations involved

Priority / Implementation Timeframe:

High/Short Term: This is viewed as a **sustaining** priority action in the TMP Implementation Plan (refer Report I, Section 5.0)

Target Users:

- Cruise lines sourcing passengers from Germany, especially Aida (www.aida.de), TUI (www.tui.com), Hapag-Lloyd Cruises (www.hlkf.com), Passat Cruises (www.passatkreutzfahrten.de), Phoenix Reisen (www.phoenixreisen.com), PlantoursCruises (www.plantours-partner.de) and Transocean Tours (www.transocean.de)
- Cruise lines sourcing passengers from other European countries:
    - Norway – Hurtigruten (Norwegian Coastal Voyages www.coastalvoyage.com)
    - Kristina Cruises (www.kistinacruises.com) [The ship *Kristina Katarina* has already called at Bridgetown, so lines of communication with this cruise company need to be maintained and strengthened]
- Cruise lines sourcing passengers from Brazil especially MSC (www.msccruises.com), Costa (www.costacruises.com), Royal Caribbean International (www.royalcaribbean.com) and Carnival Cruise Lines (www.carnival.com)

Who Benefits:

Barbadians and the Barbados economy

Risks:

Barbados is unsuccessful in its bid to develop the German, other European, Brazilian and other South American markets

Estimated Costs:

- Additional marketing - BDS$60,000 to $100,000
- Public Relations - BDS$100,000 to $200,000

Source of Funds:

Same as those used for established marketing channels

Revenue Generation Potential:

The value of an additional cruise tourist is around 99 Euros (BDS$244 on 9/8/12)

Further Development Work Required:

- Develop an action plan for implementation
- Provide a budget and time schedule for the action plan
- Source financing or reallocate budgets to implement the action plan
- Enact implementation

Other Considerations: Linkages with Marketing, ICTs and New Media

7.1-4 Improve the Experience of Cruise Tourists Visiting Bridgetown

Description:

To improve the walk and shopping offerings for cruise tourists travelling independently from the cruise terminal into Bridgetown along Princess Alice Highway (see Figure C19 for aerial view) to Pelican Village, Cheapside Market and the shops on Broad Street as well as other areas in and around the City Centre to ensure they have a first class experience that meets or exceeds international best practice.

Figure C19. Aerial view of Princess Alice Highway from the Port (top left) towards the urban core of Bridgetown (right).

Expected Outcomes:

- Increased spending by cruise tourists
- Positive comments when networking with other prospective visitors to Barbados

Guidelines for Implementation:

- The walk is approximately one mile in each direction, and for moderately fit people can be expected to take 15 to 30 minutes to travel each way
- Supply meaningful and clear information to minimize heat related problems that may be caused by walking (e.g. a large highly visible "You Are Here" map and/or digital signage could be provided as cruise tourists leave the terminal and before they reach the taxi rank within the port that shows important information such as temperature, humidity, heat index, time and advice on how long it takes to walk into Bridgetown, and whether or not choosing to walk is recommended at that particular time; see Figure C20)
- Encourage cruise tourists to take sensible precautions in hot humid conditions if they plan to walk (such as: wear a hat, use an umbrella and take water). This can be incorporated into the digital signage
- Provide as much shade as possible along the walk with benches at periodic intervals where cruise tourists can elect to sit down and rest if they wish

Figure C20. Examples of signage, road maps, and pedestrian access to the Heraklion Port entry in Crete.

- Provide a map of Bridgetown that highlights the main shopping areas, including the Cheapside Market and Pelican Village, and suggested routes for walking
- Improve signposting at Pelican Village
- Advise when it is preferable to take transport rather than to walk
- Advise that public toilets are generally NOT available in Bridgetown [except near the main bus station off Princess Alice Highway close to Cheapside Market], but that toilets are to be found in shops and restaurants
- Make the walk and shopping areas as safe, pleasant, clean and attractive as possible
- Embed in concrete walkways a series of distinctive, locally-made, ceramic plaques that can be integrated with student/artist designs at intervals of 20-30 feet or at key pedestrian junctions to direct users along preferred tourist routes for shopping or sightseeing; plaques can be

developed using themes, such as the natural environment of Barbados to promote environmental awareness
- Make the walk and shopping areas suitable for use by physically challenged cruise tourists at all stages
- Provide clear signposting along Princess Alice Highway and other main roads leading from the Port to Pelican Village, Cheapside Market and the City Centre and shops
- Key signposts (not all) should be bi-lingual (initially in English and German)
- Provide safe crossings along the route from the Port to Pelican Village, Cheapside Market and the Bridgetown core, especially across Prescod Boulevard and Princess Alice Highway. This may be done by introducing crossings, and using members of the "White Caps" Team (refer Report VI, Section 9.4, Action 2.3-8 on Tourism Ambassadors) stationed at strategic positions along the route. Such people could provide friendly advice and guidance as well ensuring the safe crossing of these busy roads by cruise tourists, other visitors and local residents when cruise ships are visiting Bridgetown
- Extend the existing pavement where it currently ends near the fish market up to the pedestrian crossing that allows safe passage across Hincks Street towards Broad Street, and on the Pelican Village side of Princess Alice Highway up to the end of the public toilets located slightly beyond Reef Road off Princess Alice Highway
- Provide clear signposting in shops and restaurants to key facilities, especially toilets including those provided for disabled people
- Encourage the provision of disability-friendly facilities
- Ensure that shops and restaurants highlight on their doors or in their windows any language skills members of their staff might have, such as German
- Give cruise tourists returning from a tour the option of being dropped off at either the market or Pelican Village. The tour guide should explain clearly what they will find at these two drop-off points and how they can get back to the cruise terminal

Challenges With Implementation:

Relatively short time to plan and action this programme of improvements ahead of next high season for cruise tourism

Recommended Implementation Agency:

- It is strongly recommended that a committee is NOT the vehicle for implementation and management
- A 'champion' should be identified to co-ordinate and implement the necessary upgrades and beautification of the walkway from the cruise terminal to the main shopping areas in central Bridgetown to ensure that it meets or exceeds international best practice
- The retailers (and banks) on Broad Street and other primary retail areas in and around the City Centre should be encouraged by the 'champion' to form, on a voluntary basis, a "Business Improvement District" (BID) and pay a BID levy to improve the presentation of the retail offer in this key area of Bridgetown in an effort to increase footfall and sales. Such an effort should be supported by the Ministry of Tourism and International Transport, BTII, the Barbados Chamber of Commerce, the Barbados Port Inc. and other interested parties

Priority / Implementation Timeframe:

High/Short term: Should be implemented, in association with Action 7.1-1, before the next high season for cruise tourism in Winter 2015

Target Users:

- All cruise tourists
- Residents and other tourists

Who Benefits:

The beneficiaries will be all residents of Barbados, businesses in all sectors and Government through increased revenues

Risks:

- The major risk is not being able to co-ordinate and disseminate the necessary upgrades through the various government departments and agencies, and then not being able to obtain or reallocate funds for implementation
- Agencies and ministries fighting over jurisdiction
- The effort and improvements are not maintained and sustained in the medium to long term, and adjusted and improved as required

Estimated Costs:

- Improved pavements, signage, general clean up and beautification (all of which need to be sustained) – rough estimate of around BDS$200,000 to BDS$300,000 (could be more or less). Signage cost BDS$3,000 per sign
- Cost of White Cap guides – up to BDS$250 per hour
- Cost of plaques – BDS$500 each
- Refurbishment of downtown to be determined by members of the BID based on the monies available from the BID levy

Source of Funds:

- From the existing budget(s) of the Barbados Government Department(s) responsible for road maintenance, road marking and signage along the route from outside the Port via Pelican Village, Cheapside Market and into the City Centre
- Signage could be paid for in part or as a whole by private sponsorship
- The BID levy should be used to improve the presentation of the retail offer in key areas of central Bridgetown, together with increasing the ambience of the area as a whole
- Could be eligible for funds under various Government and agency programmes
- Could be part of a specially development fund for TMP implementation

Revenue Generation Potential:

None directly, but should increase visitor satisfaction and therefore increase levels of spending. The objective should be to raise the average level of spending by cruise tourists visiting Barbados from US$66 in 2012 to equal to or above the regional average in 2012 of US$96 per visit

Further Development Work Required:

- Develop an action plan for implementation
- Provide a budget and time schedule for the action plan
- Source financing or reallocate priorities and budgets to implement the action plan
- Enact implementation

Other Considerations: Linkages with Action 7.1-1; Cultural Heritage and Attractions

7.1-5 Market the UNESCO World Heritage Site

Description:

To increase cruise tourism receipts to the island

Expected Outcomes:

- Increased spending by cruise tourists
- Positive comments when networking with other prospective visitors to Barbados

Guidelines for Implementation:

- The World Heritage Property of Historic Bridgetown and its Garrison offers Barbados a unique selling point that has international recognition
- The existence of the site should be built into all marketing material produced by the island that is directed towards cruise tourism
- Cruise lines should be made aware of the UNESCO site and encouraged to include details of it in their marketing efforts (e.g. supplying information on the Nidhe Israel Synagogue and Nidhe Israel Museum; George Washington House; Parliament Buildings; Spirit Bond; Dry Dock; St. Michael's Cathedral; St. Ann's Fort, etc.). BTA could be supportive by supplying cruise lines with suitable photographs and other similar materials to promote visitation of these historic sites
- *Cruise Atlantic ports and destinations successfully built in UNESCO World Heritage sites into their presentation to cruise lines. This boosted calls at the ports by 29% in the first year*

Challenges With Implementation:

Relatively short time to plan and action this programme ahead of next high season for cruise tourism

Recommended Implementation Agency:

BTA

Priority / Implementation Timeframe:

High/Short Term: Implementation should be as soon as possible

Target Users:

- Cruise lines
- All cruise tourists
- Residents and other tourists

Who Benefits:

The beneficiaries will be the attraction itself, all residents of Barbados, businesses in all sectors and government through increased revenues

Risks:

The effort is not maintained and sustained in the medium to long term and adjusted and improved as required

Estimated Costs:

From existing marketing budgets

Source of Funds:

Existing budgets

Revenue Generation Potential:

None directly, but should increase visitor satisfaction and therefore spending

Further Development Work Required:

- Develop an action plan for implementation
- Provide a budget and time schedule for the action plan
- Source financing or reallocate priorities and budgets to implement the action plan
- Enact implementation

Other Considerations: Linkages with Cultural Heritage and Attractions; Marketing, ICTs and New Media

7.1-6 Improve On-Island Attractions

Description:

To improve the offer for cruise tourists visiting various attractions on the island to ensure that they have a first class experience that meets or exceeds international best practice

Expected Outcomes:

- Increased spending by cruise visitors
- Positive comments when networking with other prospective visitors to Barbados

Guidelines for Implementation:

- Conduct annual *exit surveys* at key attractions to identify where the cruise visitor has come from, their nationality, what they liked and disliked, what they spent, and what they thought could be improved
- Analyze the results of the exit surveys and enact any changes that may be necessary
- If it is found that a significant number of visitors do not speak English as their first language, consider supplying key information about the attraction in the language(s) identified in the survey
- If the volume of visitors and the nature of attraction justify it, e.g. the George Washington house visit, consider supplying headsets or handsets to visitors at the beginning of the visit that describes things that are important or are of interest (see Figure C21).
- Such sets can be multilingual and consideration should be given to introducing such sets if the demand is likely to be there

Figure C21. Example of multilingual headsets used for interpretation at attractions.

- Where possible, provide air conditioning and/or encourage cruise visitors and other visitors to take sensible precautions in hot humid conditions if they plan to walk (such as wearing a hat, using an umbrella and taking water)
- *Provide as much shade as possible* with benches where cruise tourists can elect to sit down and rest if they wish
- Clearly signpost toilets, including those provided for disabled people
- Ensure toilets are clean and working at all times
- Make the walk and shopping areas as safe, pleasant, clean and attractive as possible
- Make all areas suitable for use by physically challenged cruise tourists at all stages
- Key signposts (not all) should be bilingual if the exit surveys indicate this is required. Encourage the provision of disability-friendly facilities
- Ensure that any shops and restaurants close to the attraction highlight on their doors or in their windows any language skills members of their staff might have such as German
- The purchase of cold water should be made possible through the provision of vending machines or a suitable retail outlet.

Challenges With Implementation:

Relatively short time to plan and action this programme of improvements ahead of next high season for cruise tourism

Recommended Implementation Agency:

- It is strongly recommended that a committee is NOT the vehicle for implementation and management
- A "champion" should be identified to co-ordinate and implement the necessary upgrades and beautification that may be needed at each attraction to ensure that it meets or exceeds international best practice

Priority / Implementation Timeframe:

High/Short Term: This should be implemented before the next high season for cruise tourism which starts in December 2014

Target Users:

- All cruise visitors
- Residents and other visitors

Who Benefits:

The beneficiaries will be the attractions themselves, all residents of Barbados, businesses in all sectors and Government through increased revenues

Risks:

The effort and improvements are not maintained and sustained in the medium to long term, and adjusted and improved as required

Estimated Costs:

No meaningful estimate is possible, as the costs will vary from attraction to attraction. If the cost of upgrading individual attractions has been estimated by other team members, then it may be possible to set a budget using these estimates.

Source of Funds:

- No clear source of funds at this time
- Could possibly be done from the reallocation of existing priorities and budgets within departments
- Could be eligible for funds under various government and agency programmes
- Could be part of a specially developed fund for TMP implementation

Revenue Generation Potential:

None directly, but should increase visitor satisfaction and therefore spending

Further Development Work Required:

- Develop an action plan for implementation
- Provide a budget and time schedule for the action plan
- Source financing or reallocate priorities and budgets to implement the action plan
- Enact implementation

Other Considerations: Linkages with Cultural Heritage and Attractions

7.1-7 Develop Passenger and Crew Purchasing Incentives

Description:

To provide passenger and crew purchasing incentives through discounts and the refund of local taxation on goods purchased in Barbados for repatriation to a visitor's home country

Expected Outcomes:

Increased sales at retail outlets

Guidelines for Implementation:

- Encourage retailer outlets in Bridgetown and elsewhere to join a discount scheme aimed at visiting cruise tourists and crew members. Retail members of the scheme should advertise the fact to passing cruise tourists and crew members
- Check legal position to see if new laws need to be enacted
- If possible, introduce this requirement with existing legislation

• Make the refund of the local taxes easy as the visitor leaves the country via the cruise terminal or airport. A suitable receipt could be used for validation. (the refunding of VAT is common at UK passenger ports and airports)
Challenges With Implementation: • Organizing a suitable discount scheme • Timely drafting of legislation if same is required
Recommended Implementation Agency: • Barbados Port Inc. and Barbados Chamber of Commerce for discount scheme • Appropriate Government department for tax refunds
Priority / Implementation Timeframe: High/Short Term: As soon as possible
Target Users: Cruise visitors, crew members and other visitors to the Island
Who Benefits: Retailers, the community of Barbados and the Barbados Government
Risks: None envisaged
Estimated Costs: BDS$3,500,000 to set up and run the refund centers at the cruise terminal and airport
Source of Funds: • No clear source of funds at this time • Could possibly be done from the reallocation of existing budgets within departments • Could be eligible for funds under various Government and agency programmes • Could be part of a specially developed fund for TMP implementation
Revenue Generation Potential: Extra revenue from increased sales
Further Development Work Required: • Develop an action plan for implementation • Introduce legislation, if required • Provide a budget and time schedule for the action plan • Source financing or reallocate budgets to implement the action plan • Enact implementation
Other Considerations: Linkages with Shopping Tourism

7.1-8 Introduce Security Tamper-Evident Bags

Description:

To introduce International Civil Aviation (ICAO) Security Tamper-Evident Bags (see Figure C22).

Figure C22. Sample of a security tamper evident bag (STEB) at an airport.

Expected Outcomes:

Increased sales at airport duty free retail outlets to cruise tourists and other tourists that are departing from the island en route to European destinations where the use of STEBs is allowed (their use is not permitted in North America on inbound flights)

Guidelines for Implementation:

- An agreement needs to be reached between the Government of Barbados, the members of the European Union (EU) and other Eastern European States, such as the Ukraine, where STEBs have been introduced. It will have to be decided by the Government of Barbados whether an approach should be made at the national level or at a regional level (CARICOM)
- Check legal position to see if new laws need to be enacted
- If possible, introduce this requirement with existing legislation

Challenges With Implementation:

- Successfully concluding a suitable agreement with the EU
- Timely drafting of legislation if same is required

Recommended Implementation Agency:

Appropriate Government department

Priority / Implementation Timeframe:

High/ Short Term: As soon as possible

Target Users:

Approved Duty Free retail outlets at the airport located beyond the security screening area

Who Benefits:

Approved Duty Free retail outlets and the Barbados Government

Risks:

Failure to negotiate a suitable agreement with the EU that permits the use of STEBs at the airport

Estimated Costs:

Cost of the new packaging should be borne by the retail outlets that will have to purchase them from ICAO approved manufacturers

Source of Funds:

Approved retail outlets

Revenue Generation Potential:

Extra revenue from increased sales

Further Development Work Required:

- Develop an action plan for enacting the necessary negotiations with the EU
- Introduce legislation, if required
- Enact implementation

Other Considerations: Linkages with Shopping Tourism

7.1-9 Support Plans for New Cruise Berths at Sugar Point

Description:

To offer positive and continuing support for the Sugar Point development across Government Departments

- The increasing size of modern cruise ships means that new berths capable of handling these large ships need to be constructed at Bridgetown if Barbados wants to remain in the mainstream cruise tourism market
- In a joint venture, private developers SMI Infrastructure (SMI) and Royal Caribbean Cruise Lines (RCCL), plan to construct a series of new cruise berths capable of handling modern, ultra-large cruise ships. These will be located at Sugar Point outside the current area of the existing commercial Port of Bridgetown. At present, this latter area receives a mixture of cargo, container and cruise ships. The new development will enable the separation of cruise tourists from cargo handling operations
- Experience elsewhere in the world where ports and destinations have introduced new berths with suitable supporting landside developments suggests that such an investment boosts cruise tourism significantly (five ports experienced step increases in demand of between +34% and +143% the year after commissioning, with an average step increase of +79%) and that the increase is subsequently retained and built on

Expected Outcomes: A substantial and sustainable boost in cruise tourism in Barbados
Guidelines for Implementation: • This project is already being implemented with the support of the Barbados Port Inc. • Work closely with the investors and developers of Sugar Point
Challenges With Implementation: Unexpected technical or safety problem(s) occur which cannot be overcome
Recommended Implementation Agency: Barbados Port Inc.
Priority / Implementation Timeframe: High/Short-term: Over the next two years
Target Users: Visiting cruise lines and cruise visitors
Who Benefits: • The beneficiaries will be all residents of Barbados, businesses in all sectors and government through increased revenues • Visiting cruise lines and cruise tourists
Risks: • The plans for new berths and the waterfront development are not realized • The new development does not achieve its expected success
Estimated Costs: None in terms of the TMP, except the plans to develop the new berths and waterfront should be given wide publicity in the tourism and cruise tourism literature and press releases as appropriate
Source of Funds: Use existing PR funding relating to tourism and cruise tourism
Revenue Generation Potential: Not really quantifiable in any meaningful way, but likely to be very substantial
Further Development Work Required: None
Other Considerations:

1.4 Sailing / Yachting and Ferries

Summary

The sailing/yachting/boating sub-industry has contributed much to Barbados' tourism product over the years despite the limited resources and infrastructure available. Two recent infrastructural additions: the Port St. Charles Marina, and the Port Ferdinand Marina which is now under construction, have helped the efforts of this sub-industry. However, these two adjacent properties are private facilities located in the northwestern part of the island, somewhat remote from where visitors and locals would generally opt to sail.

Barbados lost the Atlantic Rally for Cruisers Race to Antigua in the 1990's, and other international competitions to St. Lucia and other destinations because there were, and still are, no adequate facilities to accommodate the competing vessels. The Barbados Sailing Association (BSA), the governing body for sailing in Barbados, has persevered with efforts to increase the contribution of this sub-industry to tourism in Barbados despite the lack of adequate facilities.

Apart from the international exposure afforded Barbados through the participation of Royalty in the Royalist Regatta 2011, the economic benefits and goodwill to Barbados were significant, as the competitors in these events and their families stayed at various tourism properties on the island, incurring significant expenditure at these locations.

The international exposure for Barbados was also significant, as the events were streamed live through the internet site at *sailbarbados.com* and attracted many viewers and much interest. In addition, advertisements promoting Barbados and some of the event sponsors were aired during the broadcasts.

Barbadian hospitality was also showcased through BSA hostesses who met and welcomed all competitors and judges on arrival to Barbados. Sponsorship of local events, provision of some paid accommodation, involvement of local governmental and private sector entities, and a commemorative stamp issue all contributed to exposing Barbados' hospitality globally.

There are several issues relating to this sub-industry which when resolved would allow Barbados to take its rightful place among the lead countries in the Caribbean as a first class location to house international events and accommodate all sizes of boats and yachts. Among others, these issues would include the provision of a marina and upgrade of the Careenage inner basin, both of which are in BTII's project pipeline.

Small Craft Operations

The smaller watercrafts such as jet skis, speedboats, catamarans and other small vessels offering tourism services have also contributed significantly to our tourism product. According to the MTI statistics, almost 600 of these various type and sizes of seacraft ply their trade in support of the sailing/yachting component of the tourism product. The ITD, which administers the Shipping (Water Sports) Regulations (2004) that govern their operation, does have concerns about the manner in which some water sports craft are operated.

There are some challenges associated with this type of sea craft, including:

- The lack of facilities, natural and man-made. Barbados is lagging behind some of its smaller Caribbean neighbours in water sports activities.

- Confining these vessels to operate from listed beaches and not from locations of their choice. This confinement is a matter of enforcement since the legislation is already on the statute books.

- Identification of specific access point(s) and channels of operation on the listed beaches to confine these vessels so that they do operate with a measure of control, and not compromise the safety of other beach users. ***The TMP recommends the construction of properly designed and clearly defined access points for these vessels at each location*** (refer Action 8.1-12).

- The need to constantly educate the owners/operators of these seacrafts about their proper operation and the dangers they can pose if not correctly operated. ITD will use Town Hall meetings, the Government Information Service (GIS), and other such outlets to invite persons for training. The ITD hopes to raise awareness of the benefits and dangers associated with these crafts and to have a more informed public.

- The need to highlight the contribution of this class of seacraft to the tourism industry. The complaint is that most of the legislation/actions to date have been reactive & punitive rather than supportive of these small entrepreneurs. ***The TMP recommends that a study be conducted of the contribution of small crafts to the tourism product and economy of Barbados. This would then inform any actions/legislation to be taken in support of these operations*** (refer Action 8.1-13).

- Development of standards for the operation of these seacraft. The Ministry of Tourism and International Transport, Barbados National Standards Institute (BNSI), and other stakeholders are in the process of developing standards for water sports along similar lines as those developed for transport in tourism.

- There is need to revise the legislation and regulations or develop new legislation for the operation of water sports equipment to eliminate the anomalies that currently exist. ITD has identified the need to update the Shipping Act (Cap 296, 1994; amended 1998 and 2001) and develop regulations to be attached to the Act.

Inter-island Ferry Service

An inter-island ferry service carrying people and cargo had existed before air travel through the Caribbean became the norm. Before the construction of the Barbados Deep Water Harbour, smaller ferries and inter-island schooners would anchor alongside the wharf in the outer basin of the Careenage to off-load/take on cargo and people, while the larger ferries, schooners and ships would anchor out to sea in Carlisle Bay, and cargo and people would be transported to/from them by smaller vessels.

With the very high cost of air travel, inter-island ferry transport is being looked at again with a view to reducing regional travel costs. This could be a tremendous fillip for intra-Caribbean tourism, and by extension for Barbados' tourism industry.

A CARICOM Regional Task Force comprising Barbados, Trinidad & Tobago, Guyana and St. Lucia has been established to examine the implementation of a ferry service through the southern Caribbean with appropriate financial analysis of the proposed service.

The TMP suggests that such an analysis would require, inter alia, the conduct of a cost/benefit analysis to determine the economic viability of a ferry service. It may be

that to be economical, the service should handle cargo as well as passengers, as it did in the early days.

A joint ferry service between Trinidad & Tobago and Barbados is also mooted but is not yet a reality. The use of these services in the Caribbean would carry certain challenges, as they may have to be discontinued in adverse weather conditions.

There are some challenges to be addressed in attempting to provide an inter-island ferry service. In the case of landing facilities, BPI has indicated the Port Master Plan makes provision for specific facilities for ferries in the shallow draft. Whether the proposed ferry service between Barbados and Trinidad/Tobago is a result of bilateral discussions or a part of the larger CARICOM initiative for a ferry service through the southern Caribbean, Barbados should be at the forefront of these initiatives (refer Action 8.1-11 in Section 1.4.6).

Local Ferry Service

A ferry service between Speightstown, Holetown, Bridgetown and Oistins has been discussed for some time now. This would be more in the form of transport that is alternative and complementary to ground transport for visitors and locals. This service would probably be provided as a private sector initiative and would most likely follow the land transport model of ZM and Z, and even the Route taxis and Minibus models. Whatever the model(s) adopted, some issues would have to be first settled.

The local ferry services could be introduced on a phased basis with those locations that already have some infrastructure being upgraded as necessary (refer Action 8.1-2 in Section 1.4.6). The jetties at Oistins and the facilities at the wharf could be modified to allow this route to be phased in fairly quickly. It is also understood that landing facilities are included in the Port expansion plan.

The Speightstown jetty is in poor condition and in need of urgent repairs or replacement. Holetown is without such a facility, and a new one would have to be constructed. The services involving Speightstown and Holetown could probably be phased in later as the infrastructure is provided/upgraded.

Strategic Outlook

There is significant potential for the further rapid development of sailing and yachting in Barbados. The main issues outlined by the BSA and others involved in this sub-sector of tourism suggest that the way forward must involve the provision of better facilities, improved customer service from agencies like Customs and Immigration, particularly services provided at the point of entry, better enforcement of laws and regulations that are on the statue books, upgrade of current outdated legislation and the introduction of new legislation that would make this sub-industry current. The way forward must also recognize the potential that the small craft operators possess and the contribution they make to the subsector despite their occasionally errant operations.

The proposed construction of the Pierhead Marina Project and the support facilities including the lift out/haul out infrastructure and services for the repairs of boats/yachts together with the opportunities for developing small business entrepreneurship are expected to facilitate the efforts of the sailing/yachting sub-industry. It would also allow greater global exposure for Barbados to once again vie for and attract the best in international and regional competitions and allow this sub-industry to maximize its contribution to Barbados' tourism product.

It is recognized that even if the marina construction commences immediately, it will not be operational for the next two to three years. The upgrade of the inner basin which is well advanced in its planning and preparation for implementation would provide much needed short term relief for mooring of small and medium sized craft operators and assist the sailing/yachting industry. This would be complementary to the more permanent marina services when they come on stream.

Small craft operations such as jet skis, speedboats, catamarans and other small vessels offering tourism services have also contributed significantly to the tourism product but lack of facilities is also hindering their effectiveness. The challenge is to put in place the infrastructure, and to enforce the legislation and regulations that would confine these vessels to operate from specific locations. An effort must be made to determine the true contribution of small craft operators and to better inform actions taken to improve and streamline their operations.

The re-introduction of the inter-island Ferry Service must be a consideration as an alternative to regional air travel, the cost of which has become prohibitive and out of reach of the average traveler. The conduct of economic, financial and other analyses to determine the viability of such a ferry service would demonstrate what needs to be accomplished to make this service as attractive as it was previously, before air travel became popular.

In a similar manner, the operation of a local ferry service between areas of economic activity such as Speightstown, Holetown, Bridgetown and Oistins must now be actively considered and brought to reality, once the major issues that stand in the way of its introduction can be resolved. A local ferry service would provide an alternative means of local travel, increase the use of the water services available which is yet to be optimized, and would respond positively to one of government's expressed policy initiatives as enunciated in the White Paper (Strategic Solutions Inc., 2012, p. 252), which is: "*to expand the range and accessibility of different transportation options to visitors and locals*".

Actions that are proposed to support the transportation sector relative to Sailing/Yachting and Ferries are listed below and more fully described in Section 1.4.6. These Actions are in support of Strategic Imperative 8 on '**Improve the Transportation of People on Land and Near Shore**' and corresponding Strategy 8.1 which states: "*Streamline the movement of people on land and in near-shore waters through enhanced infrastructure, products and services*".

8.1-2 Develop a Ferry Service between Major Towns

8.1-11 Develop a Ferry Service between Barbados and Other Caribbean Islands

8.1-12 Provide Slipways for Small Crafts to Access the Beach/Sea

8.1-13 Quantify the Economic Contributions of Small Craft Operations

Actions 8.1-1 and 8.1-3 to 8.1-10 are described in Section 1.1.8 on Ground Transportation.

1.4.1 Sailing/Yachting

Sailing/yachting has contributed much to Barbados' tourism product over the years despite the limited resources and infrastructure available to this sub-industry. The existing Port St. Charles Marina and the Port Ferdinand Marina now under construction have helped the efforts of this sub-industry. However, these two adjacent properties are private facilities located in the northwestern part of the island, somewhat remote from where visitors and locals would opt to typically sail. The sailing sub-industry is poised to contribute far more significantly if the infrastructure and other necessities are put in place. In some cases, the infrastructural requirements are inexpensive and simple.

Barbados lost the Atlantic Rally for Cruisers Race to Antigua in the 1990's and other international competitions to St. Lucia and other destinations because there were, and still are, no adequate facilities to accommodate the competing vessels. The Barbados Sailing Association (BSA), the governing body for sailing in Barbados, has however persevered with efforts to increase the contribution of this sub-industry to tourism in Barbados despite the lack of adequate facilities. As an indication of this commitment, over the last five years, Barbados has hosted several international and regional events. These include:

- *2009 International One Metre (IOM) World Championship*

Barbados was awarded the 2009 International One Metre (IOM) Association World Championship through the BSA (see Figure S1). However, owing to lack of appropriate facilities, this BTA sponsored regatta was staged at the Boat Yard using a temporary raised sailing platform constructed at the end of the jetty specifically for this event.

FigureS1. Participants in the 2009 IOM World Championship held in Barbados (*Source*: sailingbarbados.com).

Notwithstanding, the economic benefits and goodwill to Barbados were significant, as all competitors and families stayed in accommodation properties for close to 600 bed nights, incurring significant expenditure at these locations. In addition, participants took catamaran cruises and island tours, rented cars; others, such as international judges, were accommodated at the expense of some of the island's tourism establishments.

The international exposure for Barbados was also significant as the event was streamed live through the *sailbarbados.com* website and attracted many viewers and much interest. In addition, advertisements promoting Barbados and some of the event sponsors were aired during the broadcast. The website covered, *inter alia*, travel information on destination – Barbados for participants, event images and regatta photographs. Merchandizing items were produced locally and included event T-shirts and polo shirts, banners that were placed at the Airport and at the Boat Yard, and the event Logo. All competitors and judges were met by BSA hostesses. There were favorable reports from competitors who appreciated this gesture, which was a first for a World Championship.

- *Mount Gay Regatta 2014*

The Mount Gay Barbados Regatta is an annual around-the-island race staged by the Barbados Cruising Club and sponsored by the internationally renowned Mount Gay Rum in association with the Barbados Tourism Authority. It attracts international, regional and local sailing enthusiasts. The last staging of this event was in May 2013 and the race will again be held May 15-18, 2014.

- *Fireball Barbados World's 2010*

The BTA sponsored this event, provided hotel accommodation for officials, and organized a promotional evening assisted by many government agencies, including the Ministry of Finance, Barbados Port Inc., Customs & Excise Department, Immigration Department and Grantley Adams International Airport Authority.

One hundred and forty sailors from 20 countries competed in the World Championship, including 3 teams from Barbados. Over 200 competitors, judges, family members and friends spent two weeks in Barbados, and some crews stayed on after the event (see Figure S2).

Figure S2. Competition at the Fireball Barbados World's 2010event (*Source*: *sailingbarbados.com*).

Competitors stayed at small properties on the South Coast and many participants took catamaran cruises and island tours on off days. The website covered travel information for participants, event overview and information, registration forms, information on *destination – Barbados*, daily race results, and regatta photos. There was a commemorative stamp issue and at the conclusion of the event, presentations were made to the Prime Minister, as well as the Minister of Tourism and International Transport. The event had international coverage through foreign journalists, and it decorated the front cover and included articles in the prestigious Yacht & Yachting Magazine (July 2010 edition).Merchandizing was done locally and consisted of event polo shirts; welcome signs were placed at the Grantley Adams

Airport and at the Barbados Yacht Club. Through the BTA, overseas journalists were invited to cover the event.

- *Royalist Regatta 2011*

His Royal Highness Prince Edward competed in this event, and was very pleased with the arrangements in Barbados. HRH asked for the Regatta to be scheduled in 2013 and every two years thereafter. The event attracted a wide cross section of support from corporate Barbados (see Figure S3).

Figure S3.Royalist Regatta 2011 event (Source: *sailingbarbados.com*).

A share of the proceeds from sponsorship was used to fund a Youth Sailing Programme, which is currently underway in secondary schools and communities for young people who would like to learn to sail but may lack the means.

- *ISAF Nations Cup 2013 Regional Finals (Barbados)*

From January 30th to February 3rd, 2013, Barbados hosted another international sailing event: the International Sailing Federation (ISAF) Nations Cup 2013 Regional Finals in Carlisle Bay. This match racing event, which involved only two boats racing around the course at any one time, saw crews of four sailors from North America and the Caribbean competing in J/24 sailboats for the chance to sail in the ISAF Nations Cup Grand Final in Denmark later in the year.

- *"505" World Championships 2013*

The Barbados Yacht Club hosted the 5thSAP 5O5 World Championship from April 22 to May 3, 2013. It was a very successful staging of these championships for Barbados. Over 100 boats participated and the event brought over 300 visitors to the island.

- *Round the World Sailing Events*

Barbados has been invited to bid for further Round the World Races; bids are now out for 2013 through 2017. However, Barbados cannot meaningfully respond to these calls for bids, as marina facilities are required desperately.

1.4.2 Market Potential for Sailing/Yachting

Barbados is a destination for attracting sailing programmes, which have given the island tremendous exposure by way of the internet through the various sailing websites, as well as prestigious sailing magazines. Countries such as Japan, South Africa and Australia have seen what Barbados is capable of doing.

It is noteworthy that these events were hosted in spite of the absence of a marina. However, if Barbados is to take it to the next level in sailing/boating, a marina would be central to developing a niche market in this sub-industry that has the potential for attracting a larger number of sailing events and larger boats/yachts. There is a range of sailing boats/yachts from the very classical yachts to the small IOMs that would come to Barbados. Marina facilities are required desperately if Barbados is to maximize the opportunities available from sponsorship of more Round the World and other types of races.

As an interim arrangement, the BSA recommends that these yachts utilize the Inner Basin of the Careenage. They do not want to go to Port St. Charles or Port Ferdinand, as these facilities are too far. What are needed even before a marina are services and moorings. The Inner Basin of the Careenage is ideally suitable and should be made accessible, as the services points are already in place. Electrical outlets should provide for 110/220 volts. All this can be done before the marina is constructed.

In 2013, 200 2-persons boats are expected in Barbados, which would add to the island’s tourism product. Most of these events take place towards the end of the tourist season, thus extending the season.

1.4.3 Issues for Consideration

There are several issues relating to this sub-industry which, when resolved, would allow Barbados to take its rightful place among the lead countries in the Caribbean as a first class location to host international events and accommodate boats and yachts of all sizes.

- *Provision of a Marina*

This is the single most important issue affecting boating/yachting in Barbados. The provision of such a facility would resolve most of the issues that this aspect of our tourism faces. As previously stated, the two marinas already constructed in Barbados are small, high end, self-contained marinas that are limited in their capacities to accommodate a large number of yachts as well as the mega-yachts. In addition, these facilities are outside of the range of localities for the average person (local or visitor) wanting to get involved in sailing/yachting, who also want to be near the hub of activities in Barbados.

The BTII is spearheading the initiative to provide adequate marina services in Barbados, and is well advanced towards the acquisition of design and construction services for this proposed facility. However, this is a very expensive undertaking and may not be on stream in the short term, but will most likely be a reality during the lifetime of the TMP.

When fully completed, the marina complex will provide hotel and restaurant facilities, residential/commercial space, moorings for small and large boats/yachts, storage facilities for containers used to transport boats to/from Barbados, retail outlets for sailing/boating related activities, and much more. The marina is being constructed on reclaimed land that is expensive. The provision of haul out/lift out and repair facilities would at best be limited on this site and would have to be provided elsewhere.

The Dry Dock at the Pierhead would not be suitable for inclusion in plans for sailing, but its restoration as part of the marina project and in line with Bridgetown's UNESCO World Heritage status is recommended. This too would be a welcome asset to our tourism product.

- *Upgrade of Inner Basin of the Careenage*

The Careenage has been revitalized with the reconstruction of the lift bridge. Access to the inner basin by tall boats/yachts is now possible. Discussions with the BSA revealed that the Inner Basin of the Careenage, properly modified and provided with the requisite services, could be the home (if only as an interim measure) of the smaller crafts/boats.(pers. comm., Penny McIntyre, Barbados Sailing Club, February 2012). The BPI has indicated that an award has recently been made at a cost of BDS$1.9 million to upgrade the Careenage by providing electrical and water outlets and other amenities for the smaller type sailing vessels, and for berthing of local vessels. This project should soon be launched (pers. comm., Ian Stuart, Operations Manager, Barbados Port Inc., September 2012).

Given the completed upgrade of the Constitution Basin Phase 1, the Phase 2 Bus terminus to Queen's Park under construction, the pending Phase 3Upgrade of Constitution River from Queen's Park to the Globe roundabout, greater possibilities exist for involvement of more locals in small craft sailing, kayaking and other water sports. As of November 2012, the International Transport Division's list of registered water sports vessels included the following totals:

- Speed boats including jet skis 309
- Other vessels (yachts, catamarans, etc.) 169
- Vessels (> 10 tons) 84

The list does not contain other vessels operating without being registered or which might have been taken out of operation. Particularly for the home based smaller vessels (i.e. under 10 tons) such as smaller yachts and catamarans, the Inner Basin could revert to a normal mooring bay. The Inner Basin would also serve as a shelter for these, as well as part of the local fishing fleet during adverse weather conditions.

- *Need for Lift Out/Haul Out Facilities*

One of the issues relating to successfully staging an international sailing/boating competition is the absence of lift out/haul out facilities for repairs to boats. The Screw Dock is no longer functional and is not recommended to be put back into service. The Inner Basin does not have available space around it to accommodate these facilities.

In discussion with the BSA it was revealed that there is a large acreage of government owned unused land at the Flour Mill site that can be used to provide lift out/haul out and repair facilities to complement the proposed Pierhead marina. In discussion with BPI, it was indicated that lift out/haul out facilities are pending for the area north of "Fish of Barbados" off the Spring Garden Highway, since the lift out facilities already there are inadequate. The intention is to build a lift out/haul out facility in the vicinity of the Flour Mill. This will be accompanied by all the amenities/shops to support vessel repairs that would create opportunities for a range of small entrepreneurs and more employment (pers. comm., Ian Stuart, Operations Manager, BPI, September 2012). These facilities would be configured for both small and large craft docking and repairs, and would have available space for storage of containers.

- *Creating Employment Opportunities*

Development of lift out/haul out services, together with all the attendant services/shops, would create the potential for developing small entrepreneurs, such as painters, diesel mechanics, small engine repair technicians, electrical/marine services, electronics, fibre glass repairs and sail makers/repairs, among others. These entrepreneurs would also be employers of their own staff, thus reducing the country's unemployment rate. A number of new jobs would be created simply by constructing lift out/haul out facilities.

- *Customs, Immigration and Port Health*

Another of the issues which the sailing/yachting community raised in TMP-related discussions is the lengthy delays in clearing vessels through the Port and the less than friendly attitude at times, and inadequate quality of service providers, including those from the Customs, Immigration, and Health departments (pers. comm., Penny McIntyre, Barbados Sailing Club, February 2012; pers. comm., Michael Thornhill, Goddards Shipping, January 2013). The complaint is that clearance through the Port is difficult and presents challenges, since the small crafts have to compete with the large cruise lines and other larger vessels for clearance time, and the wait is sometimes frustrating.

Owners/operators of yachts do not want to go to commercial ports since they do not afford the privacy they require, and also they have to be boarded and inspected on a first come first served basis with other vessels in port. This can prove to be frustrating and time consuming. Hence, in the absence of a marina, they remain in the open waters of Carlisle Bay. This may not always be accommodating, as sea conditions in open water may be hostile due to prevailing sea swells, etc. For these reasons, many of the larger yachts/mega yachts avoid coming to Barbados.

- *Need to relax some restrictions*

The timeframe for yachts staying in Barbados varies significantly. Yachts come either to pick up or collect guests, refuel, or stay for recreational purposes. At times they enjoy touring the country and therefore remain or return later. There are some restrictions on the use of certain 'toys' that are on board yachts that should be lifted, e.g. yachts may have their own jet skis and other more modern electronic gadgets that they want to use while in port. They may want permission to use a helicopter to fly a guest from the airport to the yacht's helipad. If these requests are denied, the yachts may cut short their visits, thus resulting in foreign currency losses to the island (pers. comm., Michael Thornhill, Goddards Shipping, January 2013).

1.4.4 Small Craft Operation and Related Issues

The smaller water crafts such as jet skis, speed boats, catamarans and other small vessels offering tourism services have also contributed significantly to our tourism product. However, their operation has been under scrutiny for some time now. The International Transport Division (ITD), which administers the Shipping (Water Sports) Regulations (2004) that govern their operation and registration, has concerns about the manner in which some watersports craft are controlled/regulated. The number of registered water sports vessels by category is presented in Section 1.4.3.

The issues related to the operation of small crafts include the following:

- *Greater Involvement of Locals*

Barbados is lagging behind some of its smaller Caribbean neighbours in water sports activities. Some of it is due to the island's physical geography without natural caverns, inlets and natural harbours which some of the others islands have. Some of it is also due to lack of marina facilities. Port St. Charles & Port Ferdinand have brought the balance back somewhat, but these marinas come with other facilities such as condominiums, shopping, and other amenities, and they tend to be self-contained (pers.com., Charles Belle, Water Sports Operator, December 2012).

However, much may be due to cultural practices. For instance, in St. Maarten, it is generally accepted that the whole country gets involved in the Heineken Regatta Race held annually in February-March, where all the activities are planned around the event's two weeks to give it maximum exposure and encourage participation. In Barbados, even the most prestigious of international sailing races/events goes virtually unnoticed by the majority of the populace.

The island would benefit from a serious public relations drive to get more locals involved in, and benefiting from, this aspect of tourism.

- *Location of Operation*

As previously indicated, the ITD has concerns about the less than satisfactory operations of this class of seacraft, and is constantly seeking viable solutions to address the issues. The location of operation of these small crafts is one such issue.

The Shipping Act (Cap. 296, 1994; amended 1998 and 2001) provides for the Minister to sign an order allowing water sports vessels to operate at specific beach locations. There are 19 such locations (i.e. beaches) listed for the operation of water sports vessels. The challenge is to confine the vessels to listed locations and not have them operate from wherever they desire. This is a matter of enforcement of the existing legislation.

- *Access Point at Specific Locations*

Another challenge is to identify specific access point(s) and channels of operation on the listed beaches to confine vessels so they operate with a measure of control and not compromise the safety of other beach users. There is legislation to deal with delineation of markings/lanes for the operation of speed crafts. The problems are in the actual physical operations where the markings hardly remain in place for long since rough seas/adverse weather conditions usually move them out of position. The cost of replacing the markings is expensive and there are at times disagreements as to where the markings should go. The regulations define a broad location (e.g. Browne's beach). However, where the channels are to be located may at times be problematic as they may conflict with approved swimming areas.

The International Transport Division (ITD) and the Barbados Coast Guard (BCG) is currently working on Geographic Positioning (GP) coordinates identifying channels for beach access/exit for these vessels; these channels will be marked with physical markers for easy identification by the operators/users of the beaches. The GP coordinates will also be listed in the schedule against the appropriate beach. The TMP recommends the construction of properly designed and clearly defined access points for these vessels at each location so that there is no doubt as to the exact point of access to the water from the beach and vice versa (refer Action 8.1-12).

- *Educating Owners/Operators of Sea Crafts*

The ITD recognizes the need to constantly educate the owners/operators about the proper operation of these small craft, and the dangers they can pose if not correctly operated. One way the ITD intends to deal with this is to invite operators/owners and customers of water sports to take part in education to improve the sports. ITD will use Town Hall meetings, GIS, and other outlets to invite persons for training. Training will comprise, but not be limited to such areas as: use of life jackets, assembly points in cases of emergency, medical conditions to be informed, routes to assembly points, release forms and the need for insurance. The ITD hopes to raise awareness of the benefits and dangers associated with these crafts and to have a more informed public.

- *Positive Contribution of Small Craft*

There is need to measure the contribution of water sports to the economy of Barbados. This has already been achieved by Jamaica, Curacao, Suriname and Antigua. The study would assess the contribution financially, in terms of employment and the spin-off benefits such as fuel use, equipment purchased, and maintenance and repairs. This would then inform any actions/legislation to be taken in support of the industry. The complaint is that most of the actions/legislation to date have been reactive and punitive rather than supportive(pers. comm., Charles Belle, Water Sports Operator, December 2012; pers. comm., Walter Best, CTO, ITD, October 2012; refer Action 8.1-13).

- *Nuisance Factor*

In some quarters, water sports, especially jet skis, are seen as a nuisance. Most hotels initially were of this view, but these attitudes have been changing and water sports are being seen as lucrative in the sector; some hotels have started to include these activities for their guests.

The small operators have not helped their own cause as they tend to operate these pieces of equipment in a dangerous manner. There can be frequent near misses with other beach users and there have been accidents, injuries and even some deaths as a result of the use of these small crafts, particularly jet skis. There has also been some bad publicity of the island by guests who have had bad experiences with these pieces of equipment.

To date, little has been done about curbing this dangerous operation. Although the legislation exists, there is usually little evidence on which to convict. Photographs or videos are not permissible as evidence, and witnesses are reluctant to come forward for fear of retaliation against them, their families, or properties. People would express their complaints, but would not come forward to witness.

- *Standards for Water Sports*

The Ministry of Tourism and International Transport, in conjunction with ITD, BNSI & other stakeholders, is developing standards for water sports along similar lines as those developed for transport in tourism. These standards will be in conformity with regulations, and should actually be an offshoot of the regulations. Standards are not necessarily legal and binding, but are best practices.

- *Revised Regulations for Operation of Water Sports Equipment*

There are some anomalies in the existing regulations. For example, the operator of small equipment, e.g. jet skis and small speedboats, must have a license, while the operator of the Jolly Roger and similar vessels are not required to. Many of the catamaran type vessels operating out of the shallow draft carry cruise passengers, but are not required to have a license. Since there is no requirement for a certificate of competence, in the event of an accident, Barbados can suffer negative fallout from bad publicity or from lawsuits. There is therefore an urgent need to revise or develop new legislation to counter these anomalies.

The Shipping Act (Cap. 296, 1994; amended 1998 and 2001) needs to be updated, and regulations need to be attached to the Act. For example, if an accident occurs, the Act allows for the establishment of a Wreck Commission to be set up, but does not set out the framework within which the Commission is to operate. This type of framework would be in the form of regulations attached to the Act.

1.4.5 Ferries

Inter-island Ferry Service

A ferry service existed before air travel through the Caribbean became the norm. Ferries would travel between Caribbean islands and the Americas, carrying people and cargo. Before the construction of the Barbados Deep Water Harbour, smaller ferries and inter-island schooners would anchor alongside the wharf in the outer basin of the Careenage to off-load/take on cargo and people, while the larger ferries, schooners and ships would anchor out to sea in Carlisle Bay, and cargo and people would be transported to/from them by smaller vessels.

Now that air travel costs have become very high and in some cases prohibitive, there is the need to return to this type of inter-island transport, but at a more sophisticated level. Today's ferries are cleaner, better equipped, faster and safer.

One can expect that this service, once introduced, would be fully utilized even though slower than air transport, especially if the price of travel can be kept significantly lower. This would be a tremendous fillip for intra-Caribbean tourism, and by extension, for Barbados' tourism industry.

ITD, under whose portfolio shipping (including ferries) falls, has indicated that Barbados is a member of a regional CARICOM Task Force established to examine the implementation of a ferry service through the southern Caribbean. The other members are Trinidad & Tobago, Guyana and St. Lucia. A proposal was presented to CARICOM's Council for Trade and Economic Development (COTED), which directed that there should be more financial analysis of the service before a trial is done. This is being done through CARICOM financed research. Such research would require, *inter alia*, the conduct of a cost/benefit analysis to determine the economic viability of a ferry service. To be economical, the service may need to handle cargo as well as passengers as it did in the early days.

The COTED (Transportation), which met in May 2013, was updated on the status of the feasibility of providing a Fast Ferry Service in the Southern Caribbean. They agreed that the issue of the possible establishment of a Fast Ferry Service in the southern Caribbean be referred to the next meeting of the Conference of Heads of Government. The 34th Regular Meeting of the Conference of Heads of Government of CARICOM held in Trinidad and Tobago in July 2013 considered the recommendations and agreed that a Regional

Transportation Commission be established to address maritime transportation matters. The establishment of a ferry service will be further addressed by the Commission.

A joint ferry service between Trinidad & Tobago and Barbados was also mooted, but is not yet a reality. The use of these services in the Caribbean would carry certain challenges, as they may have to be discontinued in adverse weather conditions. Ferry services already exist between Trinidad and its sister island Tobago, between St. Kitts and Nevis, and between St. Vincent and many of the Grenadine islands.

Another challenge for the ferry service will be the Advance Passenger Information System (APIS). This mandates that the passenger manifest should reach the receiving country well in advance of the arrival of a vessel and before departure, is equally applicable to marine travel as it is to air travel, except that a longer period for submission of information is given for sea travel. Some member states explicitly exempt boats, yachts and ferries from submitting the relevant advance passenger information to the Joint Regional Clearance Centre (JRCC). This is sometimes done because of the value of yachting to the tourism industry and to the economy of the particular island state. The information must however be submitted to local Customs departments and then to the Caribbean Customs and Law Enforcement Council (CCLEC).

The Customs Departments of member states are not all fully part of APIS. The Trinidad & Tobago Customs Department is, but other states' Departments are not. The general complaint is that yachts do not want to submit the required advanced passenger information more than once, and facilities in some ports are not to the same standards, so that it may become necessary to submit the information more than once in a particular country.

Certain legislation allows for yachts to divert to other destinations other than the designated ones in case of adverse weather and breakdowns. APIS has been set up through Immigration legislation. Barbados' legislation implicitly allows exemption to maritime vessels up to a certain weight, so that the smaller ones get exempted from submitting the Advance Passenger Information. This may have implications for safety and security, as some boats/ferries/ships may be carrying contraband substances and/or persons of interest.

A full boarding party comprising Customs, Health, Immigration and Agriculture would be provided for a ferry service between islands as it would for any cruise service entering Barbados waters. In such a case, boarding would be on the basis of first come first served. This would inevitably result in delays, especially for smaller type vessels (pers. comm., Clayton Johnson, DCO, Customs and Excise Dept., 2012).

Some of the issues to be addressed in attempting to provide an inter-island ferry service are:

- Landing sites and facilities (e.g. jetties, public rest rooms, office, enquiries)
- Pay status: What would be the fare between the various islands?
- Security matters, Immigration, Customs, Police, etc. (drugs, contraband, illegal entries)
- Sewerage and solid waste disposal matters
- Safety standards for type of boats used
- Enforcement policies
- Will ferries transport personal vehicles as well?
- Cross border criminality, stolen vehicles and movement of criminals
- Movement of people between states
- Institutional and legislative issues

In the case of landing facilities, BPI has indicated that the Port Master Plan makes provision for specific facilities for ferries in the shallow draft. Temporary facilities are now provided in the cross berth in the Harbour (pers. comm., Ian Stuart, Operations Manager, BPI, 2012).

Whether this proposed ferry service between Barbados and Trinidad &Tobago is a result of bilateral discussions or a part of the larger CARICOM initiative for a ferry service through the southern Caribbean, Barbados should be at the forefront of these initiatives to make greater use of the surrounding sea (refer Action 8.1-11).

Local Ferry Service

A ferry service between Speightstown, Holetown, Bridgetown and Oistins has been discussed for some time now, and needs to move to realization (refer Action 8.1-2). This would be more in the form of transport that is alternate and complementary to ground transport for tourist and locals. This service would probably be provided as a private sector initiative, and would most likely follow the land transport model of ZM and Z, and even the route taxis and minibus models.

Whatever the model(s) adopted, some issues would have to be first settled. Similar to those of the proposed inter-island ferry system, some of the issues involved include:

- **Landing sites (jetties)**: Jetties currently exist at Speightstown and Oistins. Whether their locations are appropriate would have to be examined. Provision is made in the Bridgetown Port Expansion Plan for landing facilities for a ferry service in the shallow draft. The area would have to be configured to cater for a local ferry service between towns, and an inter-island ferry service docking at Bridgetown. Alternately, the local ferry service can dock at the wharf side, or at the proposed marina facilities.
- **Pay status**: This is critical, as it would determine the extent of use of the ferry service as compared with other forms of transport. More importantly, the mechanism for funding the service in the initial stage(s) would have to be addressed. It is suggested that government meet the costs for the infrastructure, while the private sector provide the funds to purchase and operate the ferries, along with the attendant costs.
- **Conflict between water taxis and other users of the sea**: This is very critical if this service is to be a scheduled provision, with specified arrival and departure times. In addition, for the safety and security of all users of the sea/beach, this conflict should at least be minimized if not eliminated.
- **Immigration, Customs, Policing**: Unlike the inter-island service, it is not anticipated that these security matters would be as stringent. However, dealing in negatives such as drugs, contrabands and other illegal activities may flourish in this new environment and should be watched closely.
- **Sewerage and solid waste disposal matters**: This is important to maintaining a healthy environment. Much has been spent on the Bridgetown Sewerage System, the South Coast Sewerage System and the proposed West Coast Sewerage System to keep the waters along the south to west coast clean. Indiscriminate disposal of effluent would compromise these efforts.
- **Safety standards for type of boats used**: These include:
    - Speed limits
    - Routes and access channels to shore
    - Enforcement policies
- **Environmental friendly operations of ferries**: This is to ensure that fuel and air conditioning liquids used in these ferries/boats comply with international standards,

particularly the non-use of ozone depletion substances. This would also apply to all ships/boats that fly the Barbados flag, as the use of the banned substances would be considered as Barbados being involved in a negative trade.

1.4.6 Recommended Actions

There is significant potential for the further rapid development of Sailing and Yachting in Barbados.

The main issues outlined by the Barbados Sailing Association and others involved in this tourism sub-sector suggest that the way forward must involve the provision of better facilities, improved customer service from agencies like Customs and Immigration, particularly services provided at the point of entry, better enforcement of laws and regulations that are on the statue books, upgrade of current outdated legislation and the introduction of new legislation that would make this sub-industry current.

The way forward must also recognize the potential that the small craft operators possess, and the contribution they make to the sub-sector despite their occasionally errant operations.

The proposed construction of the Pierhead Marina Project and the support facilities including the lift out/haul out infrastructure and services for the repairs of boats/yachts together with the opportunities for developing small business entrepreneurship are expected to facilitate the efforts of the sailing/yachting sub-industry. It would also allow greater global exposure for Barbados to once again vie for and attract the best in international and regional competitions and allow this sub-industry to maximize its contribution to Barbados' tourism product.

It is recognized that even if the marina construction commences immediately, it will not be operational for the next two to three years. The upgrade of the inner basin, which is well advanced in its planning and preparation for implementation, would provide much needed short term relief for mooring of small and medium sized craft operators and assist the sailing/yachting industry. This would be complementary to the more permanent marina services when they come on stream.

Small craft operations such as jet skis, speedboats, catamarans and other small vessels offering tourism services have also contributed significantly to the tourism product but lack of facilities is also hindering their effectiveness. *The challenge is to put in place the infrastructure, and to enforce the legislation and regulations that would confine these vessels to operate from specific locations.* An effort must be made to determine the true contribution of small craft operation and to better inform actions taken to improve and streamline their operations.

The re-introduction of the inter-island Ferry Service must be a consideration as an alternative to regional air travel, the cost of which has become prohibitive and out of reach of the average traveler.

The conduct of economic, financial and other analyses to determine the viability of such a ferry service would no doubt demonstrate what needs to be accomplished to make this service as attractive as it was before air travel became popular.

In a similar manner, the operation of a local ferry service between areas of economic activity such as Speightstown, Holetown, Bridgetown and Oistins must now be actively considered and brought to reality, once the major issues that stand in the way of its introduction can be resolved. A local ferry service would provide an alternative means of local travel, increase the use of the water services available which is yet to be optimized, and would respond positively to one of government's expressed policy initiatives as enunciated in the White Paper (Strategic Solutions Inc., 2012, p. 252), which is: "*to expand the range and accessibility of different transportation options to visitors and locals*."

> A strategic option may be that a phased introduction of a local ferry service between Barbados' major towns that already have some infrastructure in place is the way forward.

Actions recommended to support the transportation sector relative to Sailing/Yachting and Ferries are presented below. These Actions are in support of Strategic Imperative 8 on '**Improve the Transportation of People on Land and Near Shore**' and corresponding Strategy 8.1 which states: "*Streamline the movement of people on land and in near-shore waters through enhance infrastructure, products and services*". Actions 8.1-1 and 8.1-3 to 8.1-10 are presented in Section 1.1.8 under Ground Transportation.

8.1-2 Develop a Ferry Service Between Major Towns

Description:

Barbados is surrounded by the sea: the Atlantic Ocean on the east and the Caribbean Sea on the west. Except on the north and sections of the east coasts, the majority of the island has pristine beaches that are easily accessible. Almost 100% of the coastline is accessible from the sea. Yet so little economic activities are undertaken in these waters.

A water transport service may be offered as an alternative to land transport between important ports of call, namely Speightstown, Holetown, Bridgetown and Oistins. This service could provide:

- Mass travel by way of ferries, hovercrafts, etc. (the equivalent of the Transport Board, and the Minibus and Route Taxi services, or
- Selective travel (similar to the operation of the Taxi and Maxi Taxi services); the range of services obtained in the land service version of travel may be duplicated in the water service version of travel

Expected Outcomes:

- Use of water and marine resources around Barbados for local transport
- Increase in entrepreneurship in water transportation
- Increase in employment
- Alternative (and perhaps cheaper) means of travelling from point to point around the island
- Reduction in land-based vehicular traffic to and within major towns through the provision of a marine-based alternative
- Increase in commercial and economic activities at these ports of call

Guidelines for Implementation:

- The appropriate agencies (government and private sector) should meet to determine the roles and areas of responsibilities
- Relevant agencies should put in place mechanisms to give effect to this initiative
- This could be a phased implementation process as landing facilities are provided. Bridgetown already has the shallow draft and the careenage, both of which can be used. Oistins and Speightstown have jetties that could be considered for modification to facilitate the landing of passengers

Challenges With Implementation:

- Landing sites (jetties)
- Pay status
- User conflict between ferries and other users of the sea
- Security matters: Immigration, Customs, Police, etc. (drugs, contraband, illegal entries)
- Sewerage and solid waste disposal matters
- Safety standards for the type of boats used
- Speed limits
- Routes and access channels to the shore
- Enforcement policies

Recommended Implementation Agency:

MTW (in collaboration with MTI and BPI)

Priority / Implementation Timeframe:

High/ Short Term: This is viewed as an **enabling** priority action in the TMP Implementation Plan (refer Report I, Section 5.0)

Due to investment costs and the time it would take to build the infrastructure and develop enabling legislation, there would be a 3-5 year timeframe to implementation of this project.

Target Users:

Locals and visitors

Who Benefits:

- Government of Barbados
- Locals and visitors
- Operators/Owners of the service

Risks:

- Safety and security issues
- Drug running and crime
- Danger of accidents to other users of the sea

Estimated Costs:

Not determined

Source of Funds:

It is expected that this would be a private sector operation, with government providing the infrastructure. Funding would be through the private sector, which may approach international or local financing agencies. Government's contribution would be through its capital estimates, may borrow from IFIs or raise funds on the local market.

Revenue Generation Potential:

High, via taxes, duties etc.

Further Development Work Required:

More discussions with stakeholders. ITD and BPI would feature in such discussions.

Other Considerations: This is a project that could involve many players. The Speightstown jetty is in need of major repairs or replacement. The Bridgetown Port, the Wharf side and the Oistins jetty already exist as well, but the Oistins jetty would require upgrading. The service between Oistins and Bridgetown may be phased in, and later extended to include Speightstown and Holetown.

8.1-11 Develop a Ferry Service Between Barbados and Other Caribbean Islands

Description:

Ferry services existed before air travel through the Caribbean became the norm. Ferries would travel between Caribbean islands and to Central and South America carrying people and cargo. Now that air travel costs have become very high and in some cases prohibitive, a return to this type of inter-island transport is needed, but at a more sophisticated level. Today's ferries are cleaner, better equipped, faster and safer.

It is expected that this service would be fully utilized even though slower than by air travel, especially if the price can be kept significantly lower. This would be a tremendous boost for intra-Caribbean tourism and by extension for the Barbados tourism industry. Barbados should be proactive in leading this venture.

As of the preparation of the TMP, the following is the current status on the potential for an inter-island ferry service: The COTED (Transportation), which met in May 2013, was updated on the status of the feasibility of providing a Fast Ferry Service in the Southern Caribbean. The COTED (Transportation) agreed that the issue of the continued possible establishment of a Fast Ferry Service in the southern Caribbean be referred to the next meeting of the conference of Heads of Government. The 34th Regular Meeting of the Conference of Heads of Government of CARICOM held in Trinidad and Tobago in July 2013 considered these recommendations and agreed that a Regional Transportation Commission must be established to address maritime transportation matters. The establishment of a ferry service will be further addressed by the Commission.

Expected Outcomes:

- Development of an intra-Caribbean ferry service
- Provision of another means of travel within the Caribbean
- Cheaper travel and therefore a boost to tourism in Barbados and the Caribbean
- Easier movement of people between islands

Guidelines for Implementation:

- The International Transport Division has reported that Barbados is a member of a regional CARICOM Task Force established to examine the implementation of a Ferry service through the Southern Caribbean. Other members are Trinidad & Tobago, Guyana and St. Lucia.
- A proposal was presented to COTED, which directed that there is need for more financial analysis before a trial is done.
- The CARICOM committee should ensure that the additional financial analysis is completed and a resubmission made to COTED so that a trial service be initiated as soon as possible.
- Members of the committee should coordinate efforts in their jurisdictions to facilitate the start of this service. In particular, it should be ensured that:

    1. The necessary legislation is in place,
    2. Any additional infrastructural requirements are provided for and
    3. Any matters of diplomacy, immigration or customs be discussed and resolved prior to the startup of service.

Challenges With Implementation:

- There will need to be a lot of negotiations and agreements between Governments of the Caribbean. This initiative would first be between Governments. Already there are indications that the Governments of Trinidad & Tobago and Barbados have considered/discussed this matter;
- While this would represent a new phenomenon for some jurisdictions and should be approached with caution, other Caribbean states are already experienced in this aspect of inter-island travel. A successful ferry service is in operation between Trinidad and its sister island Tobago, between St. Kitts and Nevis and between St. Vincent and the Grenadines. In fact, this type of transportation is the only available type between some of these smaller islands;
- An inter-island ferry service would raise several issues that would need to be addressed. Among them:

    - Transport of personal vehicles and cargo
    - Crime, contraband materials and movement of criminals and persons of interest
    - Movement of people between states
    - Landing facilities
    - Institutional and legislative issues

- Obtaining the necessary permits could be a time consuming process through several Government agencies.

Recommended Implementation Agency:

The Ministry of Tourism and International Transport and the Barbados Port Inc., in consultation with private sector interests

Priority / Implementation Timeframe:

High/Short - Medium term: This initiative may take 3 to 5 years to become a reality

Target Users:

- All stay-over visitors
- All cruise ship visitors
- Visitors from the Caribbean and South America
- Residents
- All markets

Who Benefits:

The beneficiaries will be all residents of Barbados and the Caribbean and non-Caribbean visitors who want to travel between these islands

Risks:

- Possibility of non-cooperation of some Governments
- Proceeding with the development of planning and design, if obtaining funds for implementation becomes difficult to achieve
- Adverse weather and sea conditions
- Not being able to obtain timely approvals from agents of Governments

Estimated Costs:

Not yet determined

Source of Funds:

- Not clear. Initial cost for negotiations and static infrastructure would likely be the responsibilities of participating Governments
- The mobile infrastructure, such as the ferry boat and related equipment, is likely the private sector operators' responsibilities
- Could be eligible for funds under various Government and agency programmes
- Could be eligible for funding from IFIs
- May fit very well as part of a specially developed fund for TMP implementation

Revenue Generation Potential:

- Through the normal travel fare charges
- Government revenue would be through port charges and duties/taxes

Further Development Work Required:

- Government to Government negotiations
- Determining costs/fares
- Sourcing financing
- Startup of operations

Other Considerations: Linkages with Safety & Security

8.1-12 Provide Slipways for Small Crafts to Access the Beach/Sea

Description:

In some quarters, small water sports vessels, especially jet skis, are seen as a nuisance. The small operators have not helped their own cause, as some operate these pieces of equipment in a dangerous manner, to the extent that there may be frequent near misses with other beach users. There have been accidents, injuries and even some deaths as a result of the careless use of these small crafts, particularly jet skis. There has also been some bad publicity of Barbados by guests who have had bad experiences with these sea crafts.

Although there is legislation to deal with the delineation of markings/lanes for the operation of these speed crafts, the problems are in the actual physical operations. The regulations define a broad location (e.g. Browne's beach). However, where the channel is to be located is sometimes problematic, as it may conflict with an approved swimming area. The challenge is to identify specific access points and channels of operation on listed beaches to confine these vessels so that they operate with a measure of control, and not compromise the safety of other beach users.

The construction of at least one reinforced concrete slipway at each listed location is therefore recommended for the beaching/putting out to sea of these vessels at points to be determined by Barbados Coast Guard. This would reduce the likelihood of accidents/injuries to other beach/sea users, as well as ensure that each listed location has at least one defined access point for small craft to enter/exit the water.

Expected Outcomes:

- A dedicated location properly designed and built to accommodate the beaching and putting out to sea of small seacrafts
- An increase in locals / private boat owners using these facilities
- A separation of other beach users from the operations of these crafts
- Less likelihood for accidents with other beach/sea users

Guidelines for Implementation:

- Identification of slipway locations
- Hire an engineering consultant to design the slipways
- Obtain a suitable contractor through a bidding process

Challenges With Implementation:

- The consultant would have to work with ITD, BPI, BCG and other stakeholders at each beach to determine the best location on the beach to construct the slipway
- The construction would involve some underwater activities

Recommended Implementation Agency:

International Transport Division of the Ministry of Tourism, MTW in collaboration with the CZMU

Priority / Implementation Timeframe:

High/Short Term: These slipways should be provided as soon as possible to reduce further risks of accidents to sea bathers

Target Users:

- Small craft operators
- Sea bathers – locals and visitors

Who Benefits:

- Users of the beach
- Small craft operators

Risks:

- Inconvenience/injury to beach users
- Obtaining funding

Estimated Costs:

BDS$20,000 for civil works at each location

Source of Funds:

Government of Barbados / BTII

Revenue Generation Potential:

Indirect

Further Development Work Required:

Nil

Other Considerations: Linkages with Sports Tourism

8.1-13 Quantify the Economic Contributions of Small Craft Operations

Description:

In 2012, over 550 of the smaller type vessels were registered with the International Transport Division of the Ministry of Tourism. These included jet skis, catamarans and speedboats. This is a significant number of vessels whose employment capacity cannot be dismissed. Still, there is much concern in the industry surrounding the unsafe practices of this type of seacraft and this concern has led to the introduction of pieces of legislation. The complaint is that most of the legislation/actions to date have been reactive and punitive rather than proactive and supportive.

While there is merit to attempting to control the operations of these small crafts to minimize or avoid further accidents/injuries to other users, it is felt that the financial, economic, social and other contributions of these vessels should be measured. This would inform the development of appropriate legislation and action to support as well as streamline the operations of this sector and give it much needed credibility.

Expected Outcomes:

- Determination of the value contribution made by small seacraft operations to the Barbados economy
- An indication of employment and wages/salary levels
- A qualitative assessment of the social impact of these small crafts
- A record of accidents/incidents involving these operations
- An update of ITD's record of the number of crafts in operation
- Assistance to operators in keeping proper records

Guidelines for Implementation:

- Initiate a study, through hired consultancy services, to examine the financial, economic, employment and other direct costs and benefits of the small seacraft sector
- To examine other indirect spin-off benefits, such as fuel use, equipment purchased, maintenance and repairs
- To determine the social costs associated with nuisance factors and dangerous operations that small crafts display
- To inform any actions/legislation to be taken in support of, or to streamline, these operations

Challenges With Implementation:

- Securing the cooperation of the small operators
- Obtaining accurate information
- Reaching all operators/owners

Recommended Implementation Agency:

International Transport Division

Priority / Implementation Timeframe:

High/Short Term: This group of operators needs to be supported and their operations streamlined urgently so that there would be a win/win situation for operators as well as customers and the public

Target Users:

- Owners/Operators of small craft (hotels included)
- Clients using these services
- Public using the areas (beaches) designated for operations of these crafts
- Institutions that regulate and have some responsibility for their operations

Who Benefits:

- All Barbadians generally
- The owners/operators of these crafts
- Locals and visitors to beaches where these crafts operate
- Customers utilizing these services
- The Barbados Economy

Risks:

- Obtaining financing
- May not receive full cooperation of participants
- Financial data may not be available or accurate

Estimated Costs:

BDS$200,000

Source of Funds:

Government of Barbados/International Financing. Government should seek grant funding to conduct this study.

Revenue Generation Potential:

Recommendations could lead to changes that benefit operators and the Barbados economy

Further Development Work Required:

A successful study could lead to a broader one assessing the contribution of the entire sailing/yachting sub-industry

Other Considerations: Linkages with the Accommodation Sector as it relates to the provision of on-site water sports activities

2.0 Accommodation

Visitor accommodation is a primary aspect of the tourism sector that helps to determine a visitor's well-being and enjoyment of experience while away from home. Accommodation establishments typically provide, amongst others, the following aspects:

- A home away from home; the visitor's place of privacy
- Safety and security
- In many cases, food experiences
- On-site or nearby recreation experiences
- Guidance and assistance to all types of visitor experiences

The accommodation sector contributes very considerably to the visitor economy, including in the following areas:

- It is a focal point for visitor expenditures
- Many visitors select their destination based on the available accommodation choices and/or the experiences they enjoyed on a previous visit
- The sector is a major employer
- It is a major contributor to the general revenues of the country through taxation and other levies
- It is a consumer of locally produced goods and services, thereby contributing substantially, indirectly and induced
- It is a major source of new investment in the country and a leader in generating new construction projects, as well as refurbishment to existing properties

Yet, this sector experiences many ongoing difficulties in Barbados, some of which may be challenging to resolve. The Barbados Hotel and Tourism Association (BHTA) has organized itself into an effective association that assists its members, the tourism sector, the country, and all visitors to the island.

Summary

Visitor accommodation options in Barbados include hotels, apartments, guesthouses, and private villas. Over half of all stay-over visitors prefer hotels as their accommodation of choice. As of January 2012, there were 152 *registered* accommodation establishments providing 6,278 rooms. Over 30 condominium communities have developed since the late 1990's, with about 814 separate villas providing 2,340 bedrooms, bringing the total estimated accommodation supply to approximately 8,618 rooms. This data does not include rooms that are not registered with the BTA.

Over half of all stay-over visitors selected hotels as their accommodation of choice between 2010 and 2012 as follows:

- 50.9% in 2012
- 52.6% in 2011
- 55.2% in 2010

Around 25% of all stay-over visitors opted to stay with friends, which is significant given that this is normally a non-paying accommodation option, while villas attracted an average of 12% of the total visitors over the three year period.

Average annual occupancy rates of registered accommodation reported to the BHTA have been at levels near or below substantial viability (i.e. 65%) between 2008 and 2012, but achieved levels over 65% between 2004 and 2007 (prior to the global recession). During the past decade, the highest average occupancy rates were achieved in 2004 and 2005 at just below 70%. It is estimated that Barbados will need to attract approximately 24,000 more paid accommodation visitors per annum to increase average occupancy rates to 65%.

Since 2004, the percentage of visitors staying in villas increased steadily from 5.4% to 11.7% in 2011. The average annual increase in the percentage of visitors choosing villas over that period was 0.9%. Aside from private villa developments, any increase in the number of condo-hotels and timeshare properties in Barbados would help to meet the growing demand for self-catering properties.

The tourism market has weakened since the start of the recession in 2008, and has contributed to a decline in active accommodation projects. For example, visitor arrivals declined 8.5% in January 2013, 9.5% in February 2013, and 10.9% during the first week of March 2013, as compared to the same period in 2012 – all during peak winter season weeks. Additional supply of visitor accommodation is expected to be minimal given the high cost of operating in Barbados. Any movement towards easing the associated cost burdens will help to improve the viability of the accommodation sector. At the same time, continuing the initiatives that promote the greening of the industry will be important in order to meet national sustainable development goals and the transition to a green economy for Barbados.

There is currently a growing preference worldwide for 'authentic' and experiential travel (ITB Berlin, 2012). This has led hotel groups to cater to a shift in consumer preferences by creating more unique, boutique / lifestyle properties. Not only do they attract high paying travelers, they also can be more profitable with their positioning and pricing like a luxury hotel without the associated operating costs. As travelers demand unique holidays, of which hotels are an integral part, the potential of boutique style hotels grows. Growing global affluence and a more demanding younger generation are expected to contribute to a shift to hotels that are lifestyle driven. In addition, establishments that opt to stay ahead through the use of online technologies will benefit over those that do not; those that continually enhance their online presence will promote distribution and stay in touch with consumers (Euromonitor International, 2012).

The hotel industry has also begun to contemplate a group of travelers it sees as crucial to its economic growth, i.e. .Generation Y, or those in their 20s to mid-30s. This demographic is obsessed with technology, social media and design. As a result, many hoteliers are remodeling existing hotels or introducing new ones that offer services and fittings that attract this demographic, such as free Wi-Fi, welcoming lobbies with comfortable furnishings, state-of-the-art fitness areas, in-room power consoles for iPads, laptops, and other mobile devices, and stylish bars that spill into the lobby. Some are also scheduling nightly social events, like happy hours and free wine tastings, aimed at luring this market segment to their hotels. Travel spending by these travelers rose 20% in 2010, making them the fastest-growing age segment, according to American Express Business Insights, though they still lag the baby boomer generation in overall spending. (Morrissey, 2012).

The future of the accommodation sector worldwide speaks to a new luxury design paradigm. The challenge for the sector is to provide an accommodation experience that guests will talk positively about and that hospitality providers can boast about. With respect to defining consumer preferences and developing a synergy between physical characteristics of a hotel and guest experience, the following key characteristics of the hotel / hospitality service industry were highlighted from the BITAC (Buyer Interactive Trade Alliance & Conference)

Luxury by Design event, held March 11-13, 2012 in Rancho Palos Verdes, California (Luxury by Design, 2012):

- Fluctuating tastes and desires – (note that the TMP workshops held in 2012 identified changing consumer preferences as a critical factor in which the global arena has affected tourism in Barbados)
- Higher consumer expectations with lower budgets than the peak 2005-2007 period
- Handcrafted experiences
- Better service, independent of hotel décor

Further, expectations for future consumer preferences were categorized by BITAC attendees as follows:

- Personalized experiences – 63%
- Larger rooms – 17%
- Advanced technology – 11%(the TMP workshops held in 2012 indicated that adaption to new information technology is one of the greatest concerns for progressing the Barbadian tourism sector)
- Possessing a unique "signature amenity" – 9%

The White Paper on the Development of Tourism in Barbados (Strategic Solutions Inc., 2012, p. 207) noted that:

> "*The fact that over 70% of the hotels in Barbados are small hotels, presents an excellent opportunity to raise the standards through the development of a high quality product of eclectic boutique hotels with a unique Caribbean flavour, locally styled furnishings and local cuisine, which offer high quality, personalized Barbadian hospitality and service*".

Becoming aware of visitor demands and preferences worldwide and changing consumer tastes and expectations will be critical for Barbados if it is to remain competitive as a tourism destination. Providing appropriate accommodation that meets the needs of priority niche markets being developed to diversify the tourism product will also be critical in ensuring the success of these new markets.

Strategic Outlook

Based on research completed on the current status of the accommodation sector and stakeholders interviewed in Barbados since January 2012, several *key issues* are presented, with reference to proposed actions where applicable, as follows:

(1) There is currently *a lack of data available to enable the determination of the right mix of room numbers by hotel type (i.e. accommodation mix*). This issue can be addressed through the development of an updated database of room supply for all accommodation types that will require the following initiatives to be undertaken:

- A system of regulating and enforcing the comprehensive registration of all visitor accommodation properties. This should include legislation required to register and operate villas and condominiums that are placed on the rental market. A BTA-registered seal / stamp for all accommodation types should appear on publicly accessible websites
- Preparing an annual inventory of registered room supply by international classification relative to type, standard, and location

- Preparing an inventory of all planned, approved, and under construction accommodation projects according to location, size, standard, and timing
- Making the data publicly available to enhance transparency and promote investment in the sector
- Developing a centralized unit that accumulates all relevant accommodation data with the capacity for its consolidation and analysis (refer Action 6.1-2 in Section 2.9; see also Action 1.1-1 in Report IV, Section 2.5)

The Government of Barbados established a Tourism Working Group (TWG) in 2011 comprised of key representatives of the tourism industry including the BHTA, BTA, BSS, CTO, CBB and MOT. The Group's mandate is to identify existing tourism data and highlight perceived gaps and discrepancies in order to improve understanding of the available data.

Along with the Group's data initiatives and collaborative research, *improvements in the quality of data collected* may be considered in the following areas:

- A projection of hotel occupancy by standard of accommodation will require a reclassification of properties based on an agreed evaluation of property status against international standards such as AAA rating. In the absence of these ratings for all visitor accommodation, occupancy rates should be tabulated and analyzed by establishment so that the data can be more accurately reviewed and analyzed

- Approximately 30% of BHTA members report their monthly occupancy rates; achieving more comprehensive reporting of occupancy rates is required to support planning initiatives in the industry

- Some properties currently listed by the Intimate Hotels group do not appear on the BTA master list of accommodation and bedrooms; greater consolidation of data is required to increase accuracy of the existing room supply inventory

- Some of the categories on the Barbados Immigration cards are unclear and can contribute to the gathering of inaccurate data. Improvements/clarifications in the categories presented would help to enhance the quality of the data being collected

- There are current data overlaps in certain categories used to classify accommodation. For example, some condo-hotels are listed by the BTA as apartments or hotels, and some villa developments are listed in the hotel or apartment category. A change in the way properties are classified and defined is necessary to improve the quality of the data being compiled so that appropriate comparisons can be made to help inform policy and strategic planning

(2) *The variety of accommodation being provided should support the niche tourism markets being promoted* (see also Section 3.0). *Analysis of current market trends* (see also Report IV, Section 2.2) *and visitor accommodation preferences* are critical to remaining competitive in the industry. Accommodation mix should also be informed by *global market trends* in visitor preferences and trends in accommodation type. The regular and frequent monitoring of these trends will be an important function for the Ministry of Tourism and International Transport. For instance, providing accommodation that enables more personalized experiences for visitors within unique, boutique/lifestyle properties would meet the current global demand for this accommodation preference.

(3) Examination of existing data suggests that room supply exceeds current demand; given the reduced pace of new developments expected to enter the market within the next few

years, and the possibility of further closings of accommodation properties, occupancy rates may continue to improve. Where pending new developments open over the same period, there will be an increase in room stock and a resultant redistribution of room occupancy unless visitor arrivals increase proportionately.

According to the President of the BHTA, “present marketing of Barbados requires greater focus and adjustment….Barbados has been missing from all media over the last 18 months and the decrease in arrivals has reflected this void” (Affonso-Dass, 2013[2]). *Effective marketing programmes, including the offering of incentives* that focus on attracting more visitors from traditional and new markets, will help to fill existing rooms and improve occupancy rates to pre-recession levels (refer Action 6.1-5 in Section 2.9; see also Report IV, Section 1.0).

(4) Aside from improving tourism data research, extraction and analysis, there is a need to *simplify the process of establishing and operating accommodation properties* in Barbados. This may be achieved through the development of a centralized unit, ideally within an existing institution, e.g. Ministry of Tourism and International Transport or Invest Barbados, which would help to streamline the process of licensing and registration, thereby reducing the burden on investors and promoting the ease of doing business in Barbados (refer Action 6.1-3 in Section 2.9). The BHTA has stressed the benefits of developing a facilitation unit for issues relevant to the accommodation sector within the MTI through which challenges to the sector could be efficiently routed to the relevant agencies, ministries, or stakeholders for prompt and efficient resolution.

(5) A *focus on accommodation quality* would help to promote Barbados as a destination aiming for excellence in this sector. In this regard, *achieving consistency and setting appropriate standards in upgrading the hotel plant* is a critical consideration (refer Action 6.1-1 in Section 2.9).

(6) Barbados has the potential to become a model for sustainable tourism in the region. This can be achieved in part by *promoting green* operations in the accommodation sector in accordance with the country’s sustainable development goals. The development of regulations and stimulation of compliance can be achieved through the provision of adequate incentives, e.g. set goals whereby all new accommodation developments are to be renewable energy compliant, and existing properties to be retrofitted in this regard by specified target dates (refer Action 6.1-4 in Section 2.9).

At a Greening Workshop held in Tobago on November 10, 2011, the CHENACT project recommended the incorporation of a clean energy policy in the Tourism Development Act, as well as a plan of action in renewable energy for the tourism sector via hotels and attractions. These types of initiatives will help to promote green operations in the accommodation sector.

In the 2013 Throne Speech, the Government announced that it is establishing a $150 million Hotel Refurbishment, Energy Efficiency, and Food Production Fund within the NIS investment portfolio. Within the first phase of this Fund, and as part of the recent Ten-Point Tourism Plan, Government will provide BDS$10 million for retrofitting air conditioning and lighting systems in the tourism and hospitality sectors, with further aspects being provided in the coming months. Under the same Plan, Government will also launch a programme to increase the number of Green Globe certified hotels (Alleyne, 2013). *Hoteliers will need to support this initiative to progress the sustainable development of the sector*.

(7) Continue to *ease budgetary constraints relative to input* costs for visitor accommodation. In August 2013, the government passed a Budget that included a measure to reduce the

VAT from 8.75% to 7.5% on tourist accommodation and direct tourism services from October 1, 2013. Any further reductions in taxation, operating costs, and lending rates will help to boost the viability of the industry and increase the competitiveness of the island's tourism product.

There have been requests made by the hotel sector in this regard, e.g. in 2012, the BHTA requested that consideration be given by the Government of Barbados to approve a tax rebate for Barbadians who take the opportunity to vacation at the island's hotels. By encouraging domestic tourism and educating locals on the offerings available to them in the tourism sector, employment can be maintained and much needed foreign exchange kept in the country.

In addition, at a quarterly meeting held on September 12, 2012, the BHTA highlighted other areas that require urgent attention by Government, in particular VAT charges, utility costs (especially assistance relative to electricity fees), funding and restructuring of the BTA, and revision of the Tourism Development Act relative to additions to the Second Schedule. The BHTA believes that items in the Second Schedule need to be continually revisited taking into consideration benchmarking and best practices. Finding measures for immediate relief to improve the sustainability of the industry is also seen as critical to the BHTA.

(8) Aim for *service excellence in the industry* through the provision of certified hospitality staff training programmes to international standards. This should include the training of tourism industry staff in key foreign languages (e.g. Spanish, Portuguese, Mandarin) so that visitors from emerging source markets in Asia and Latin America can be serviced at the highest levels. Links with the Host Programme for Barbados (May Hinds Consulting Inc., 2012) relative to service excellence initiatives should also be encouraged.

(9) Develop a programme that may be enforced through relevant Health Regulation Acts to *decommission closed accommodation properties* within a specified time period so that those properties do not remain as a blemish on the landscape. Some of these should be addressed within Government's recent Ten Point Tourism Plan, whereby government will engage partners to construct a new hotel plant and rebuild / reopen a number of derelict properties.

(10) *Develop a conference hotel* to meet the needs of the conference traveler and boost occupancy rates through the hosting of large groups within this specialized niche market (see also Report V, Part 2, Section 3.2.1.5 and Action 2.1e-1). A total of 16 out of 63, or 25% of hotels have conference facilities, but none of these hotels are specifically designed for the business traveler. There is a need for accommodation to cater specifically to the business traveler and those attending conferences/seminars. The BHTA supports the development of hotel accommodation with the capacity of 800 – 1,000 rooms with a large conference facility in or near Bridgetown (pers. comm., S. Springer, BHTA, October 2012).

Currently the Barbados Hilton provides the largest total conference space capacity of 10,000 sq. ft., with 350 guest rooms. To attract larger conference groups on a regular basis, appropriate infrastructure would need to be developed. One of the recommendations provided in the Master Plan for Needham's Point (Coopers & Lybrand, 1997) was to develop sufficient meeting and conference space ranging from 12,000 to 15,000 sq. ft. within an upscale branded hotel. The new Barbados Hilton, developed in 2005 however, currently provides less than the total suggested conference room capacity.

During the period that Almond Beach Village was operational, it provided the largest number of hotel rooms in Barbados at 395, with only a small conference capacity accommodating up to 180 people. Any larger conference groups opting to stay there would have had to move off property to conduct meetings. Large independent conference facilities are provided at the Lloyd Erskine Sandiford Centre, but there is no associated accommodation there.

(11) The preference for villa accommodation consistently grew over the past decade and is expected to continue in this regard. Further efforts in *promoting this villa segment, as well as the condo-hotel and timeshare markets*, will help to capture the growing number of visitors seeking self-catering units of a high quality. For example, creating a 'Family' category on the BTA website to help capture visitors seeking family-oriented accommodation, including self-catering units and high-end villas, is an option in this regard. In addition, the proposed Government programme to help market villa accommodation as part of the available room stock, a component of the recent Ten-Point Tourism Plan, will help to showcase the villa accommodation sector in Barbados.

(12) *Create a highly visible weblink on the BTA's website* that links to the BHTA accommodation booking engine at bookbarbadosnow.com.

Recommended Actions

Actions recommended to support and enhance the accommodation sector are listed below and more fully described in Section 2.9. These Actions are in support of Strategic Imperative 6 on '**Modernize Accommodation and Improve the Performance of the Sector**' and corresponding Strategy 6.1 which states: "*Improve infrastructure, products and services within the accommodation sector and enhance its overall financial performance*". They are not intended to address all issues that concern accommodation in Barbados, nor are they intended to replace the many good recommendations that have been made in other strategic studies of the sector (e.g. Property Consultancy Services Inc. (PCS), 2009).

In the time since the work for the preparation of this Master Plan began, there have been initiatives undertaken to assist this sector, including those announced in a recent Government of Barbados Budget (August 2013). This speaks to the dynamic nature of the sector; the initiatives were recognized and noted as the Master Plan reporting for this subject area was prepared.

6.1-1 Strengthen Accommodation Quality Assurance

6.1-2 Mandate Registration and Develop Accurate Accommodation Supply Database

6.1-3 Create an Office of Tourism Accommodation

6.1-4 Green the Accommodation Sector

6.1-5 Identify and Market Accommodation to Support Longer Visitor Stays

2.1 Overview

The provision of visitor accommodation in Barbados dates back to the late 1800's with the opening of the island's first hotel at Crane Beach. By the mid-1950's, hotels on the west coast were also being developed, starting with Coral Reef Club in St. James. Then in 1961 Sandy Lane Hotel opened, followed by the Colony Club Hotel, both located in St. James. The stage was set for the establishment of the west coast as a prime tourist hub for Barbados, followed soon after by the south coast.

In the 1970's, a major expansion in room stock began and continued for the next few decades, including multi-chain hotels such as the Almond Resorts and St. James Beach Hotels. Then in the mid-1990's, villa communities such as Royal Westmoreland and Port St. Charles were developed, offering private villas and new amenities such as golf courses and marinas. Villas continue to be a growing sector of the accommodation market, providing tourists with private accommodation well suited to families and the added benefit of experiencing a 'home away from home'.

Although Barbados can boast the best in luxury accommodation, including Sandy Lane Hotel which consistently ranks among the world's finest; the Barbados hotel plant has been described by stakeholders as generally "tired", with little growth in the sector and too few associated guest activities. The White Paper on the Development of Tourism in Barbados (Strategic Solutions Inc., 2012) stressed that in order to remain competitive, it is imperative that facilities offered to visitors are of the highest internationally accepted standards. It has also been suggested that more brand name hotels may be beneficial to keep Barbados competitive. Branded hotels offer familiarity, operational efficiencies, marketing power, and client loyalty (PCS, 2009). Barbados' current brand name hotels include Hilton, Marriott, Fairmont, and the new Radisson Aquatica Resort featuring 124 rooms that opened in 2013. A Four Seasons development is being planned at Paradise Beach on the west coast.

2.2 Current Accommodation Stock

Visitor accommodation options in Barbados include hotels, apartments, guesthouses and private villas (including townhouses and condominiums); accommodation in private homes is also available through the Home Accommodation programme (see Section 2.6.3) and web-based community marketplace programmes such as airbnb.com (https://www.airbnb.com/s/Barbados). Registered room supply per property ranges from 4 to 350 rooms. There is a group of small hotels that has operated since 2000 under the umbrella of the BHTA called the Intimate Hotels of Barbados. These small hotels offer up to 75 rooms per property and there are currently 50 properties in this group.

The table below (Table H1) presents the estimated room stock in the Barbados accommodation sector in 2012. According to the most recent data of *registered* accommodation provided by the BTA, Barbados has a total of 64 hotels offering 5,373 bedrooms, 74 apartments offering 1,251 bedrooms, and 20 guesthouses offering 170 bedrooms, or a total of 157 registered establishments with a capacity of 6,794 bedrooms (BTA, 2012[1]; BTA 2012[4]). Of these, 32% are in the Intimate Hotel category. However, since that data was accumulated in January 2012, 4 hotels (Allamanda Hotel, Almond Beach Village, Edgewater Hotel, and Peach & Quiet), and 1 guesthouse (Gibbs Bay Inn) have closed, thereby reducing the number of bedrooms by 516 and the total capacity to 6,278 rooms.

Table H1. Estimated room stock in the Barbados accommodation sector, 2012.

Accommodation Category	No. of Properties	No. of Rooms
Hotels	60	4,882
Apartments	74	1,251
Guesthouses	19	145
Villas	814	2,340
TOTAL	967	8,618
Source: BTA, 2012[1]; 2012[4]; PCS 2009.		

This data does not include unregistered rooms (the total capacity of this subset is not available), including non-registered private villas, townhouses, and condominiums that are available for rent. Many of these properties provide some of the highest quality accommodation on the island, including luxury beachfront homes. Over 30 condominium communities have developed since the late 1990's, with about 814 separate villas providing 2,340 bedrooms in 2009 (PCS 2009), up from 1,802 bedrooms in 2003 (Accommodation Capacity Plan 2004-2010, Tourism Global Inc., 2003). Added to the current estimated room stock for hotels, apartments and guesthouses presented above, the supply then totals approximately 8,618 rooms.

A recent study on condominiums in Barbados presented data totaling 1,022 units of condominiums, detached villas, townhouses, and vacant lots (see Table H2; Griffith and Moore, 2011; see also Burgess Et. al., 2012). This was not translated into a corresponding total number of rooms available for the holiday rental market, but confirmed a growing number of units in this type of accommodation. There port concluded that a mixture of condominiums, hotels, and villas / single-family homes is recommended options for accommodation in Barbados which would create employment opportunities while improving the quality of the accommodation product. It also stated that condominiums for sale and rent alter the tourism product by attracting high-end visitors as a target group that can stay for longer periods and potentially spend more than other target groups.

Table H2. Total private villa developments, 2010.

Type of Unit	Existing	Available for Sale	Planned & Unreleased	Planned & Existing
Vacant Lots	214	34	6	227
Single Family Villas	180	97	285	547
Condominiums	348	280	997	1,739
Townhouses	280	70	367	713
TOTAL	**1,022**	**481**	**1,655**	**3,226**
Source: Griffith & Moore, 2011				

Burgess et al. (2012) concluded that villa accommodations are more popular among visitors coming for leisure, vacation and weddings or honeymoons, as opposed to business tourists who prefer hotels. Their report highlighted approximately 2,500 villa/condominium rooms as compared to 6,000 hotel rooms. Villa room stock has increased since 2003 while hotel room stock has declined, which may be attributed to hotel closures as well as hotel conversions to condominiums over the past 15 - 20 years. It should be noted that there were 9 hotels converted to condominiums within that period. Griffith and Moore (2011) stated that condominiums represent the single largest area of real estate development outside of domestic residential development that can increase the number of rooms available for tourism.

Between January 2007 and May 2012, there were 46 accommodation property closures, i.e. 13 hotels, 19 apartments, and 14 guesthouses, representing a total of 1,639 bedrooms in 5.5 years, or about 24% of the total registered room stock (unregistered rooms and home accommodation category not included). Many of these closed establishments are lying idle, along with some new uncompleted developments (e.g. Four Seasons, Beachlands, and The Regent). Having these sites idle for long periods is unsightly and can leave negative impressions on visitors (see Figure H1). Attracting new investors to purchase closed or idle properties that are on the sale market will help to alleviate this situation.

Figure H1. Examples of closed accommodation properties on the South Coast, showing properties with overgrown landscape, graffiti on external walls, and broken windows.

2.3 Operational Challenges

According to the BHTA (R. Myers, Tourism Stakeholders Meeting, May 10, 2012), the enabling environment for business in Barbados relative to visitor accommodation remains a concern. For example, to set up a hotel operation in Barbados, it is necessary to comply / register with 17 different Government departments. Other challenges that were identified include:

- The tax cost base is hindering
- The tax and legislation is cumbersome
- The terms of debt funding are often unsuitable
- Operating costs are high
- Debt structures can be inflexible

In the last 10 – 15 years, there has been significant development of condominiums and condo-hotels in Barbados that has helped to improve product quality in the accommodation sector. However, about 75% of hotels have had to financially restructure in the last 3 years, and currently the tourism industry comprises 43% of the island's non-performing debts (H. Cobham, Speaker at a meeting held by the Barbados Chamber of Commerce, April 25, 2012). With high bank lending rates, high operating costs, and high taxation, the accommodation sector is being stymied as the plant continues to age and deteriorate. This scenario makes it difficult to justify commanding higher room rates in order to increase cash flows. Where competing destinations offer an equivalent or superior product, consumers will potentially choose the alternative destination.

Not only did the global economic downturn since 2008 cause a decline in occupancy rates (see Table H7 in Section 2.5), but also visitors spent less on average than during pre-recession years. Moreover, hoteliers have been facing high operating costs, high energy, labour and insurance costs, and the inability to perform regular scheduled property maintenance, and in some cases required renovations, due to competing necessities of operating and financing costs. This situation can increase the likelihood of negative publicity on social media sites (Wellington and Harvey, 2012).

2.3.1 Age of Hotel Stock and Refurbishment Status

Information on the age of hotel properties and numbers refurbished is presented in Table H3. Many hotels now operating in Barbados were constructed in the pre-1970 period (i.e. 33%), of which 85% have been refurbished. Only 8% of hotels are Fully Accessible Barbados registered, and about 68% offer free Wi-Fi access on property.

Issues related to an aging hotel plant, especially properties over 15 years old, include:

- Deteriorated building services, e.g. plumbing and electrical systems and the ability to meet demand loads
- Appearances of an aging hotel plant encompasses dated features such as doors, windows, and older style infrastructural elements that are less visually appealing to the modern visitor
- The older hotels tend to be more difficult to retrofit to provide for the increasing demand for accessible facilities, especially for silver market visitors and those that are physically challenged; some limited upgrades can be implemented such as the installation of ramps and Braille plates
- Retrofitting of more bathrooms to accessible specifications in hotel rooms will be desirable to enhance the product offering

- Older hotels use less efficient energy devices compared to newer properties that incorporate renewable technologies in their designs
- The ability to have more comprehensive Wi-Fi or wired internet access on hotel properties and in individual hotel rooms is becoming more of an expectation by international travelers, especially in the business and conference sectors. Many hotels provide the service in their main lobbies or at dedicated internet locations, but not specifically in each hotel room

The Government of Barbados provides some tax incentives to the hotel industry through the Tourism Development Act (2002 Cap. 341) relative to upgrades and refurbishments. These include tax deductions off interest paid on loans required to upgrade a hotel; or to build, upgrade or refurbish a heritage or natural attraction. The BHTA recently requested that further incentives be provided through the TDA to further assist the accommodation sector in a number of areas. In 2013, Government revised the Second Schedule of the TDA by increasing the list of items that can be imported duty-free by tourism enterprises.

Table H3. Number of registered hotels in Barbados constructed and refurbished* from pre-1970 period to 2012, presented by decade (Source: TMP consulting team).

ACCOMMODATION TYPE: HOTELS					
Period Built	Number of Hotels	Hotels that have Undergone Refurbishment	Hotels that have not been Refurbished	Hotels Offering Free Wireless Access on Property	Fully Accessible Barbados Registered
Pre – 1970	**21**	**18**	**3**	**17**	**1**
1971 – 1980	**15**	**14**	**1**	**13**	**1**
1981 – 1990	**9**	**9**	**0**	**5**	**0**
1991 – 2000	**7**	**3**	**4**	**7**	**2**
2001- 2010	**7**	**3**	**4**	**0**	**1**
2011-2012	**1**	**0**	**1**	**1**	**0**
No Data Available	**3**	**2**	**1**	**0**	**0**
Total	**63**	**49**	**14**	**43**	**5**

*Refurbishment refers to those properties that received physical upgrades, including new extensions within the last 15 years (the period within which newer technologies have become available to developers). The original quality of construction or the quality and extent of refurbishment could not be assessed within the available data (to October 2012).

A hotel refurbishment strategy is presented in Section 2.9 (refer Action 6.1-1).

2.3.2 Accommodation Standards and Ratings

BHTA member properties are classified according to rate structure, and not by quality of establishment. Hence, poor quality, high cost accommodation may potentially be ranked in the same class as high quality, high cost accommodation. Accommodation occupancy rates are categorized by the BHTA through this classification system. A projection of hotel occupancy by quality standard of accommodation will therefore require a reclassification of properties based on an agreed evaluation of status against international standards, such as AAA ratings.

The AAA hotel rating system is being encouraged in the local industry to help standardize the ratings in Barbados according to international norms. In 2006, the BTA introduced the AAA Diamond rating system island-wide, and in November 2007, they launched a Hotel Guide Book featuring 50 AAA rated properties, with 13 still to be inspected (eTN Global Travel Industry News, 2007). Currently, there are 19 hotels that are AAA Diamond rated in Barbados (see Table H4).

Table H4. AAA Diamond rated hotels in Barbados.

Hotel Name	Diamond Rating	Year Attained
Sandy Lane	5	2003
Hilton Barbados	4	2006
Colony Club	4	2009
Coral Reef Club	4	2007
Royal Pavilion	4	1997
The Crane	4	2009
Treasure Beach	3	-
Courtyard Marriott	3	-
Bougainvillea Beach	3	-
Little Arches	3	-
Sugar Cane Club	3	-
Savannah	3	-
Beach View	3	-
Turtle Beach	3	-
Mango Bay	3	-
Southern Palms	2	-
Butterfly Beach	2	-
All Seasons Europa	2	-
Dover Beach	1	-
Source: AAA, 2012[1].		

The AAA rating system assesses management and staff, housekeeping and maintenance, building exterior, grounds, public areas, room décor, ambience, amenities, bathrooms, and guest services.

Having a dated hotel style, limited design co-ordination, or an unadorned curb appeal attracts a basic 1 Diamond rating, whereas enhanced exterior elements and attractive curb appeal are the characteristics of a 3 Diamond rating. The quality of landscaping is included in the rating, along with building structure, design, portico entrance, and marked, illuminated parking. More specifically, architectural elements such as roofing, window treatment, and balcony features are all highlighted for assessment (AAA, 2012[2]).

2.4 Recent Trends in Accommodation Choice

The BTA extracts tourist arrival data by accommodation type from the Barbados Immigration Forms collected at the Grantley Adams International Airport, and separates the data into 14 different categories as follows:

- All Inclusive Hotels
- Apartments
- Cruise (tourists arriving by air to go on a cruise)
- Friends
- Guest Houses
- Houses
- Intimate Hotels
- Luxury (relating to hotels)
- Not Stated (indecipherable data)
- Other
- 50-100 Rooms
- Over 100 Rooms
- Under 50 Rooms
- Villas

Analysis of the most recent data indicated that tourist arrivals increased by 7.2% from 2010 to 2011 (from a total of 533,713 to 572,066; see Table H5), but decreased by 6% from 2011 to 2012 (to 537,697 stay-over arrivals; BTA, 2013). Over half of all stay-over visitors selected hotels as their accommodation of choice from 2010 to 2012: in 2012, the total was 50.9% and in 2011 it was 52.6%, both down from the corresponding total in 2010 of 55.2%. (Note that these totals were derived by combining all hotel categories analyzed, i.e. All Inclusive, Luxury, Intimate, Under 50 Rooms, 50-100 Rooms and Over 100 Rooms.) This is consistent with the findings of PCS (2009) in prior years where over 40% of visitors chose hotels over other accommodation options.

Table H5. Visitor stay-over arrivals by accommodation type compared separately for 2010 and 2011; and 2011 and 2012.

	YTD				% SHARE	
ACCOMODATION	**2010**	**2011**	**ABS CHG**	**% CHG**	**2010**	**2011**
50-100 RMS	17,396	8,923	-8,473	-48.7	3.3	1.6
ALL INCL	80,165	91,735	11,570	14.4	15.0	16.0
APTS	12,333	11,776	-557	-4.5	2.3	2.1
CRUISE	907	920	13	1.4	0.2	0.2
FRIENDS	135,184	138,844	3,660	2.7	25.3	24.3
GUEST HOUSES	5,199	5,281	82	1.6	1.0	0.9
HOUSE	1,684	1,937	253	15.0	0.3	0.3
INTIMATE	30,271	32,042	1,771	5.9	5.7	5.6
LUXURY	86,635	91,930	5,295	6.1	16.2	16.1
NOT STATED	9,005	30,425	21,421	237.9	1.7	5.3
OTHER	13,511	15,440	1,929	14.3	2.5	2.7
OVER 100 ROOMS	56,862	54,197	-2,665	-4.7	10.7	9.5
UNDER 50 RMS	22,928	21,718	-1,210	-5.3	4.3	3.8
VILLA	61,633	66,897	5,264	8.5	11.5	11.7
TOTAL	**533,713**	**572,065**	**38,353**	**7.2**	**100.0**	**100.0**
Source: Research & Development Dept., Barbados Tourism Authority, 2012[1].						

	YTD				% SHARE	
ACCOMODATION	**2011**	**2012**	**ABS CHG**	**% CHG**	**2011**	**2012**
50-100 RMS	8,923	11,981	3,058	34.3	1.6	2.2
ALL INCL	91,735	71,424	-20,311	-22.1	16.0	13.3
APTS	11,776	12,333	557	4.7	2.1	2.3
CRUISE	920	836	-84	-9.1	0.2	0.2
FRIENDS	138,844	132,738	-6,106	-4.4	24.3	24.7
G HOUSES	5,281	5,221	-60	-1.1	0.9	1.0
HOUSE	1,937	2,082	145	7.5	0.3	0.4
INTIMATE	32,042	32,239	197	0.6	5.6	6.0
LUXURY	91,930	90,138	-1,792	-1.9	16.1	16.8
NOT STATED	30,425	27,430	-2,995	-9.8	5.3	5.1
OTHER	15,440	12,433	-3,007	-19.5	2.7	2.3
OVER 100 ROOMS	54,197	47,983	-6,214	-11.5	9.5	8.9
UNDER 50 RMS	21,718	20,026	-1,692	-7.8	3.8	3.7
VILLA	66,897	70,833	3,936	5.9	11.7	13.2
TOTAL	**572,065**	**537,697**	**-34,368**	**-6.0**	**100.0**	**100.0**
Source: Research & Development Dept., Barbados Tourism Authority, 2013.						

Within the hotel accommodation subset, the Luxury category attracted the most visitors at just over 16% between 2010 and 2012, followed by All Inclusive Hotels at between 13% and 16%, and then hotels with Over 100 Rooms averaging9.7% over the 3 years. Although only 8 registered hotels were All Inclusive properties, they attracted one of the highest numbers of visitors during this period. Smaller hotels (less than 100 rooms) consistently attracted fewer visitors than hotels with Over 100 Rooms.

Around 25% of stay-over visitors opted to stay with Friends, while Villas attracted an average of12% of stay-over visitors during the corresponding period.

Apartments and Guesthouses were the accommodation choice of approximately 3% of the overall stay-over visitors each year. The remaining 4 categories attracted a combined less than 10% of the total stay-over visitors for each of those 3 years.

CTO (2010 and 2011) also provided data from surveys conducted on accommodation preferences by visitors. However, accommodation categories were grouped differently, e.g. the Apartments and Villas were combined in one category, preventing comparisons to be made with other data sets that distinguish these categories. Apartments and villas both provide self-contained units, some with their own private pools and housekeeping services, providing a more intimate experience for the visitor in the form of a holiday home. Many properties in this category are high-end, providing up-scale amenities including cooks, housekeepers, and some are located within gated communities that provide golf, tennis, fitness rooms and other popular facilities.

Table H6 presents the percentage totals of visitor stay-over preferences by accommodation type averaged over a 3 year period between 2010 and 2012. The data indicates that non-Luxury Hotels, Apartments and Guesthouses were preferred 2.4 times more than Luxury accommodation and 3.3 times more than Villas during that period.

Table H6. Percentage totals of visitor stay-over preferences by accommodation type averaged for 2010 and 2011.

Year	Accommodation Type		
	Luxury	Hotels, Apts., Guesthouses	Villas
2010	16.2	42.3	11.5
2011	16.1	39.5	11.7
2012	16.8	37.4	13.2
Average %	16.4	39.7	12.1
Source: Data extracted and analyzed from the BTA Statistical Dept., 2012[1,] 2013.			

A review of CTO visitor stay-over data for 2011 showed that visitors from the USA were the highest users of hotels other than all-inclusives, and those from Europe were the highest users of villas/apartments, followed by Canadians. Visitors from the Caribbean were the highest users of local friend/relative accommodation. The highest users of all-inclusive hotels originated in the UK. Europeans outside of the UK were the highest users of Guest Houses.

In 2011, all visitor groups preferred hotels other than all-inclusives over alternative accommodation choices. Honeymooners and festival attendees preferred all-inclusive hotels more than the other purpose of visit (POV) groups identified. Most visitors who stayed in Guest Houses were visiting for sports meets or vacation/business purposes. The highest percentage of visitors using apartments and villas were those coming for the purpose of vacation or festivals.

CTO statistics also showed an average of 75.4% of visitors that arrived to attend a meeting opted to stay in a hotel between 2007 and 2011. In comparison over the same period, an average of 28.9% of visitors who arrived to attend a local Festival chose to stay in a hotel, while 38.5% preferred friends & family and 21.1% preferred apartments or villas. The development of a large conference hotel facility would help to meet the accommodation needs and preferences exhibited by this niche.

A total of 16 out of 63, or 25% of hotels have conference facilities, but none of these hotels are specifically designed for the business traveler. There is a need for accommodation to cater specifically to the business traveler and those attending conferences/seminars. The BHTA supports the development of hotel accommodation with the capacity of 800 – 1,000 rooms with a large conference facility in or near Bridgetown (pers. comm., S. Springer, BHTA, October 2012).

Currently the Barbados Hilton provides the largest total conference space capacity of 10,000 sq. ft., with 350 guest rooms. To attract larger conference groups on a regular basis (which would also help to increase overall occupancy rates; see Section 1.4), appropriate infrastructure would need to be developed. One of the recommendations provided in the Master Plan for Needham's Point (Coopers & Lybrand, 1997) was to develop sufficient meeting and conference space ranging from 12,000 to 15,000 sq. ft. within an upscale branded hotel. The new Barbados Hilton developed in 2005 currently provides less than the total suggested conference room capacity.

During the period Almond Beach Village was operational, it provided the largest number of hotel rooms in Barbados at 395, with only a small conference capacity accommodating up to 180 people. Any larger conference groups opting to stay there would have had to move off property to conduct meetings. Large independent conference facilities are provided at the Lloyd Erskine Sandiford Centre, however there is no associated accommodation there.

2.5 Occupancy Rates – BHTA Member Properties

BHTA represents over 80% of the total accommodation room stock in Barbados. According to the 2012 members list provided by the BHTA and the corresponding rooms list provided by the BTA, the total number of registered rooms in BHTA member properties is approximately 5,093. Properties are classified according to rate structures as follows:

- Luxury (average daily winter rate of US$300)
- A Class (average daily winter rate of US$150)
- B Class & Apartments (average daily winter rate of US$90)

Occupancy rates are calculated by the BHTA by accommodation class. Table H7 presents monthly and annual percentage occupancy rates for BHTA member properties averaged across all classes from 2004 to 2012 inclusive. Results indicate that average occupancy rates had a noticeable decline in 2008 to 62.3%, coinciding with the start of the global recession, and continued their decline in 2009 and 2010 to levels below 60%. In 2011 and 2012, average occupancy rates increased to just above 60% per year, but have still not reached their pre-recession level of over 65%. In 2013, visitor arrivals compared to the previous year decreased in January by 8.5%, in February by 9.5% and in the first week of March by 10.9% (pers. comm., Sue Springer, BHTA, March, 2013). Corresponding occupancy rates were not available for the first quarter of 2013, but were expected to be lower as a result.

The years 2004 and 2005 showed higher occupancy rates nearing 70%. These results are consistent with regional statistics indicating that occupancy rates in Caribbean hotels decreased from an average of 66.6% in 2007 to 60.4% in 2009 and 60.3% in 2010 (www.tourismiskey.com, 2011).

Table H7. Average occupancy rates (%) for BHTA member properties in all accommodation classes between 2004 and 2012. Approximately 30% of the membership reported rates to the BHTA over the review period.

MONTH	2004	2005	2006	2007	2008	2009	2010	2011	2012	Mean (2004-2011)
January	71	76	75	69	79	54	63	72	72	70.1
February	82	83	77	80	79	82	63	78	83	78.6
March	84	79	72	61	70	66	61	65	67	69.4
April	69	76	71	73	60	56	50	69	66	65.6
May	74	65	63	78	62	48	64	58	65	64.1
June	63	52	55	59	58	34	43	50	54	52.0
July	77	72	57	72	53	32	58	58	54	59.2
August	66	59	64	66	47	46	52	63	65	58.7
September	50	56	58	54	44	45	41	44	42	48.2
October	59	56	59	60	62	63	55	54	44	56.9
November	65	71	71	74	65	65	68	61	62	66.9
December	76	80	70	63	69	69	60	54	67	67.6
Average	**69.7**	**69.5**	**66**	**67.4**	**62.3**	**55**	**56.5**	**60.5**	**61.7**	**63.1**
Source: Data compiled from figures supplied by BTA, 2012[2].										

The average annual occupancy rates per class from 2010 to 2012 are presented in Table H8. Given the minimum industry standard for full service hotel viability at 60 – 65% occupancy rates (Arney, 2002; PCS, 2009), the trends presented in Table H8 indicate that recent average room occupancy rates have not reached the level of substantial viability across all accommodation classes, except for B Class/Apartments in 2011and 2012, and A Class in 2012 (the average 2012 rates provided by the Luxury Class achieved just under the lower level of the viability range). Occupancy rates increased between 2011 and 2012 for Luxury and A Class despite visitor stay-over arrivals decreasing by 6%, indicating that more visitors were opting for paid accommodation in 2012, except in the B-Class category. Moreover, with hotel closures in 2012 representing a loss of 516 rooms, this would help to increase occupancy rates despite reduced arrival numbers.

Table H8. Percent average annual occupancy rates per accommodation class between 2010 and 2012 (refer Table H7).

Accommodation Class (BHTA)	Year		
	2010	2011	2012
Luxury	54.0	55.0	59.7
A Class	56.3	56.2	64.9
B Class & Apts.	59.5	70.5	60.8

Table H9 presents room stock that would need to be filled in order to achieve projected occupancy rates within the viability range.

Table H9. Projected number of rooms that need to be filled to achieve viable occupancy rates per accommodation class. Room numbers are projected from the 2012 BHTA inventory stock.

Occupancy Rate	Accommodation Class (BHTA)			Total No. Rooms
	Luxury (1,838 Rooms)	A Class (2,463 Rooms)	B Class & Apts. (792 Rooms)	All Classes (5,093 Rooms)
60%	1,103	1,478	475	3,056
65%	1,195	1,601	515	3,311

Occupancy rates by seasonality per BHTA accommodation class was examined during the period 2010 to 2012. According to occupancy rate data provided by the BHTA for this period, the best months for Luxury class occurred in the winter season during January (averaging 61.7%), February (averaging 69.7%) and March (averaging 63%); for A Class, the highest occupancy rates also occurred in the winter months of January (averaging 71%), February (averaging 76.7%), and March (averaging 63.7%); B Class/Apartments fared well across the majority of months over both seasons, with June displaying consistently low occupancy rates in each of the 3 years (averaging 50% in that month), and the lowest rate exhibited in October 2012 at 19%. The B Class/Apartments highest rates in that period were in January (averaging 75.3%), February (averaging 78%), and March (averaging 66%).

Over a 32 month period from January 2010 to August 2012, the occupancy rate data indicated that the lowest average rates occurred within the Luxury Class at 54.2%, followed by A-Class at 55.8%, and B Class at 63.8%. The estimated vacancy of rooms in the Luxury category averaged 842 rooms over this period; for A Class, 1,088 rooms were vacant on average; and for B Class, 287 rooms remained unoccupied on average. This creates a total average number of rooms unoccupied over the period of 2,217, or 43.5% of the total number of rooms in each class. This room stock analysis indicates that only the B Class/Apartment properties achieved reasonable occupancy rates over that period in terms of viability.

A review of the data on monthly average occupancy rates between 2004 and 2012 indicates that the month of September displayed the lowest rates at an average of 48.2% in all categories combined (see Table H7, PP. 231). Hotel closures typically occur during this low season month each year, at which time renovations and maintenance are often executed. That period also coincides with school openings in the prime markets of the UK, USA, and Canada.

Visitor accommodation preferences and occupancy rate data provided by the BTA for hotels, apartments and guesthouses were compiled by aggregating the following data sets:

- Properties consisting of less than 50 rooms
- Properties consisting of 50-100rooms
- Properties consisting of more than 100 rooms
- Intimate Hotels
- Luxury class (Refer to listing of properties in Appendix A)
- All Inclusive Hotels (only 6 currently)
- Apartments
- Guesthouses

The figures were then compared annually against the corresponding figures for villas to determine the accommodation choice trends over the period 2004 through 2011 (see Table H10) within these categories.

Table H10. Annual average occupancy rates (%) by accommodation type between 2004 and 2011.

	No. of Visitors	**Visitor Choice**	**Visitor Choice**	**No. of Visitors**	**Total Visitor Choice**	**Room Occupancy Generated**
Year	No. of Visitors that stayed in Hotels, Apartments, and Guesthouses	% Total Visitors that Stayed in Hotels, Apartments, and Guesthouses	% Visitors Staying in **Villas**	No. of Visitors that stayed in **Villas**	% Total Visitors that Stayed in **Villas**, Hotels, Apartments and Guesthouses	% Annual Average Occupancy in Hotels, Apartments and Guesthouses
2004	326,308	59.2	5.4	29,750	64.6	69.7
2005	316,351	58.1	5.8	31,542	63.9	69.5
2006	341,652	60.8	6.4	35,777	67.2	66.0
2007	347,095	60.3	7.1	40,888	67.4	67.4
2008	350,313	61.5	7.7	44,080	69.2	62.3
2009	311,074	59.9	9.5	49,220	69.4	55.0
2010	311,789	58.5	11.5	61,633	70.0	56.5
2011	317,602	55.6	11.7	66,897	67.3	60.5

Source: Data extracted and compiled from accommodation statistics and occupancy reports provided by the Research & Development Dept., Barbados Tourism Authority, 2012[2].
Note: Visitors staying in private homes, with friends, arriving to join a cruise, other accommodation categories, and those not stated on airport immigration forms were excluded.

Results indicated that since 2004, the percentage of visitors staying in villas increased steadily from 5.4% to 11.7% in 2011. The average annual increase in the percentage of visitors choosing villas over that period was 0.9%.

The increasing demand for self-catering properties and spaces larger than traditional hotel rooms is well met by villas and condominiums, as well as condo-hotels and time-share properties. The supply of beachfront apartments and condominiums is projected to be 249 units over the next 3 years (Mallalieu, 2012). Services included in this type of accommodation typically include housekeeping, cooking, and other conveniences that provide the visitor with a home away from home.

Any increase in the number of condo-hotels and timeshare properties would help to meet the growing demand for self-catering properties. Timeshare properties solidify repeat visits, and currently 6 properties offer this type of ownership in Barbados. In a report outlining a proposed development of Needham's Point, Coopers & Lybrand (1997) indicated that hotel involvement in vacation ownership was stimulated in the 1990's by an economic need during difficult times and the symbiotic relationship between mixed-use hotels and timeshare facilities as compared to stand-alone resorts. Advantages of hotels involved in timeshare include:

- Superior hospitality experience providing better service for owners
- Broader range of products, including vacation clubs

- A symbiotic relationship between hotels and vacation ownership
- Early cash flow from sales
- Opportunities to utilize existing hotel facilities

Several new condo-hotels have been developed recently, including Silver Point, Beach View, The Crane Residential Resort, and Ocean Two. Condo-hotels are appealing to potential holiday-home buyers due to the fact that they operate organized rental pools where buyers benefit from having rentals that meet the carrying costs of ownership.

During the review period 2004 – 2011, there were a number of factors that affected the decreasing number of visitors and occupancy rates. Hotels that closed over the period, as well as new properties that were developed, created a change in the availability of rooms to visitors; the increase in the number of rooms is a potential contributor to the decreasing occupancy rate because of the spread of occupants over a larger number of rooms. Additionally, a lower number of visitors will contribute to lower occupancy rates.It is estimated that Barbados will need to attract approximately 24,000 more visitors to increase average occupancy rates to 65%, or 595,000 total stay-over visitors per annum relative to 2011 data.

Total number of registered Hotels, Apartments, and Guesthouse rooms by January 2012 was approximately 6,278. Accommodation stock data fluctuations since 2004 include:

- 1,488 rooms lost through accommodation closures between 2004 and 2012
- 679 rooms added through accommodation openings between 2004 and 2011
- 193 more rooms were scheduled to be added in 2012, with more properties in the planning stages (e.g. Four Seasons, Merricks, Port Ferdinand, Beachlands, The Regent)

Length of visitor stay is another factor that influences occupancy rates. This factor increased overall by 7.2% between 2010 and 2011, and specifically for stays between 1 and 10 days. However stay-overs of 11+ days decreased during the same period (CTO 2010; CTO 2011). Increasing visitor stay-over lengths would help to keep occupancy rates up and improve visitor spend.

2.6 Recent Programmes in the Accommodation Sector

Visitors leave the comfort of their homes and expect certain standards when they arrive at their chosen destination. Providing a comfortable, clean, healthy, and safe environment with excellent services will help to improve the probability of return visits and promote the recommendation of the destination.

The data on repeat visitors to Barbados indicates good rates of returns. According to Greenidge (2011), almost half (49%) of all visitors to the island in 2009 had visited before, and from 1996 - 2009, more than a quarter of the returnees on average had visited Barbados at least 4 times before. In order to ensure that Barbados remains a destination of choice to new visitors and returning guests, the following elements will be key considerations: accommodation quality, hospitality provided (and how it is delivered), and the availability of a variety of ancillary services and visitor activities.

2.6.1 Hospitality Assured Programme

The Hospitality Assured Programme encourages tourism and hospitality businesses in the Caribbean to promote service ideals, values, and principles that support a culture of excellence in the hospitality industry. Barbados was one of 8 participating Caribbean countries in the programme that was conducted from July 2010 to September 2011. The programme was created by the Institute of Hospitality of the UK specifically for the tourism and hospitality sector, and the Caribbean Tourism Organization (CTO) operates it regionally (CTO, 2012).

The certification validates a rigorous process of effecting a service quality framework with a focus on customer, employee, and organizational engagement, covering 10 areas that include customer research and promise, business planning, operational planning, standards of performance, resources, training and development, service delivery, service recovery, and customer satisfaction improvement. To date there are 2 hotels that have been certified in Barbados (Barbados Advocate, 2012; www.hospitalityassuredcaribbean.com/about-us/).

All institutions under the programme are subject to an external assessment every 2 years in order to demonstrate its maintenance of both service and business excellence. More accommodation properties should be encouraged to participate in the programme to improve the quality of the sector island-wide.

2.6.2 Environmental Initiatives

Increasing energy efficiencies in the accommodation sector will help to reduce energy costs through the use of renewable energies that promote a positive environmental footprint. The ongoing Caribbean Hotel Energy Efficiency Action Programme (CHENACT) programme is being implemented by the CTO with the support of the Caribbean Hotel & Tourism Association and the Caribbean Alliance for Sustainable Tourism, and aims to improve the competitiveness of small and medium sized hotels (i.e. less than 400 rooms) in the Caribbean. Phase I of the programme ran from April 2009 to October 2011 involving 30 hotels in Barbados through the implementation of detailed energy audits. Initial audit reports indicated significant opportunities for energy efficient savings in the hotel sector. The audits were designed to complement and enhance green certification processes for hotels. Three of the hotels also participated in demonstration projects whereby renewable energy equipment was installed. Outputs of the programme will also include an energy efficiency model and a clean energy policy for Barbados hotels. Phase II is now being implemented as an advanced programme, and will include Barbados hotels.

The programme has demonstrated that investing in energy efficiency is profitable, and that there is significant scope for energy savings in the hotel sector (pers. comm., L. Duffy-Mayers, May, 2012). Results have also shown that air conditioning and lighting account for 30% to 65% of the total electricity consumption in the hotel sector. The Barbados hotel sector accounts for approximately 9% of the total electricity consumption on the island (Caribbean Renewable Energy Forum, 2010).

Incentives being provided by the Government of Barbados to help increase energy efficiency in the accommodation sector include: the establishment of preferences for energy efficient versus non-energy efficient investments; increased incentives for solar photo-voltaic through the Tourism Development Act (2002); the establishment of the Smart Energy Fund for the provision of pre-investment grants, low interest loans tied to payback periods for energy efficient technologies, and performance risk sharing (Caribbean Renewable Energy Forum, 2010).

Other incentives relative to promoting environmental stewardship in the accommodation sector include provision in the Tourism Development Act (2002) for expenditure on acquiring eco-certification and on community tourism programmes to be offset at a rate of 150% against tax assessable income. Eco-certification can be done through entities such as the AAA rating system, and programmes such as Green Globe and Blue Flag.

The investment gap analysis presented for the tourism sector in the Green Economy Scoping Study for Barbados highlighted a large performance / investment gap relative to finding sustainable solutions to low occupancy rates. In fact, it exhibited the highest performance gap of all 10 challenges that were reviewed. Finding sustainable solutions to improving occupancy rates will therefore be necessary.

Greening the accommodation sector will be key to enhancing sustainability and meeting the expectations of the consumer. According to the White Paper, "*as Green Travel continues to become the 'new normal', consumers are looking to bring their green living habits to their travel experience and are increasingly demanding more sustainable options"* (Strategic Solutions Inc., 2012, p. 106). The White Paper also called for "…*the institutionalization of more efficient operations, better utilization of energy and investment in green technologies and human capital"* (Strategic Solutions Inc., 2012, p. 209) in order to elevate the standard of the industry*.*

> Barbados can become a model for a tourism sector that operates maximally through renewable energy and green development techniques (refer Action 6.1-4 in Section 2.9). Incentives would help to promote this scenario on a broad scale, e.g. funding available to owners and investors to assist with converting existing establishments so that they operate in a greener fashion, and enacting green compliances for any new developments.

The Government of Barbados is aiming to establish a special fund designed to promote energy efficiency and hotel refurbishment to enhance the sector's competitiveness...this would encourage and incentivize hoteliers to take advantage of alternative energy sources and enhance sustainability of the tourism sector (Hon. Chris Sinckler in Caribbean News Now, 2012).

While this was welcomed by industry stakeholders, the BHTA remain concerned that this may not be adequate given that many hoteliers are burdened with heavy debts, in some cases leading to accommodation closures; financial loans / bad debts that lenders are grappling with are still very relevant issues (Barbados Today Online, 2013). The Government subsequently announced in the March 2013 Throne Speech that it is establishing a $150 million Hotel Refurbishment, Energy Efficiency, and Food Production Fund within the NIS investment portfolio, and will provide US$20 million for retrofitting air conditioning and lighting systems in the hotel sector as a means of reducing energy costs (Jordan, 2013).Hoteliers will need to support this initiative to progress the sustainable development of the sector (Moore et al., 2011).

Other possible funding sources that have recently come on stream include the EU's Caribbean Investment Facility that was recently launched to help support green investments and infrastructure in the Caribbean (European Union, 2012; see also Report II, Section 2.0).

2.6.3 Home Accommodation Programme

Aside from traditional accommodation choices, the option of staying in a Barbadian home was developed primarily out of the need for increased room capacity as a result of the hosting of the Cricket World Cup finals in 2007.

The concept actually dated back to 2003, when the Government of Barbados conceptualized a bed and breakfast accommodation pilot project that was earmarked for execution in communities within the Integrated Nature Tourism Area Project in St. Thomas. Prior to the implementation of this pilot project, Barbados was awarded the finals of the 2007 International Cricket Council (ICC) Cricket World Cup. Consequently, there was a need to augment its current room stock to accommodate the influx of visitors expected to travel to Barbados for the event. As a result, the pilot project was expanded to become a national project. The project was called the *Home Accommodation Project*, with the following objectives:

- To diversify the accommodation sector by encouraging the development of accommodation facilities within the homes of Barbadian residents,
- To encourage greater public involvement in the tourism industry by way of facilitating entrepreneurial opportunities within the accommodation sub-sector,
- To augment room stock capacity and
- To provide tourists with a more authentic experience through direct interaction with local residents

The 2011 UWI review of the programme reported that customers were largely pleased with the product, however, as of July 2008, only 94 rooms were registered under the *Home Accommodation Programme.* The study determined that some of the key challenges faced by home accommodation operators included poor marketing resulting in low business activity, the recession, and lack of communication and assistance from the government. The key reasons for discontinuing home accommodation operations provided by 75 past home accommodation operators included no formal support or assistance from the government, the level of difficulty of accessing further financial assistance, and the stringent home accommodation guidelines and standards required. The ongoing development of a Host Programme for Barbados may help to revitalize this segment of the accommodation sector to enhance its viability.

2.6.4 Small Hotel Assistance Programmes

Since the early 1990's, the OAS has been assisting small hotels in Barbados through the Small Hotels Assistance and Recovery Project (SHARP), providing support in plant upgrading, development of marketing strategies, and financial control. Seven small hotels in the non-luxury sector participated in the programme (OAS, 1994).

Since 1998, the Small Tourism Enterprise Programme (STEP) was developed by the OAS to provide assistance to small tourism enterprises and hotels (i.e. less than 75 rooms)in Latin America and the Caribbean in order to enhance their competitiveness. The OAS delivered training and certification in technology adoption, hotel operations and management, culinary skills, and safety and security. The programme also provided a mechanism for small hotels to embrace international standards by establishing a brands and standards classification with criteria for product and service quality and environmental stewardship. Two web portals were created, (a) the Caribbean-experiences.com website - a marketing portal which showcases the participating countries and properties per country, including a mechanism whereby guests can book accommodation with the property of their choice; and (b) the Caribbean-innkeeper.com web portal - an information and networking platform with resources aimed at assisting small tourism enterprises to strengthen their management and operational procedures (Impact Alliance, 20013). Currently, the Caribbean-innkeeper website is linked to the Caribbean-experiences website which only showcases countries in South America.

2.6.5 BHTA Booking Engine

Another recent programme that has been implemented in the accommodation sector is the booking engine, www.bookbarbadosnow.com, which the BHTA developed in 2011. The purpose of this initiative was to create a website where visitors could book accommodation, car rentals, and tours via a local organization. Since international websites charge up to 30% in commissions, every booking completed via the BHTA booking engine helps to strengthen the local economy and allow the BHTA to not only support its members, but also continue its service to the wider community. Following the initial 8 to 9 months of operation, it generated about US$1 million in sales, and is viewed as a significant success to date (Burnham, 2012).

2.7 Global Accommodation Trends

Globally by region, hotel occupancy rates rose worldwide in 2010 as travel demand improved, and were expected to continue growing through 2011. According to Smith Travel Research (2011), average occupancy rates for 2010 across the globe were:

- Asia Pacific - 66% (with Australia ranking highest at 84%)
- Europe - 63%
- Middle East and Africa - 63%
- Latin America - 64%
- North America - 58%

Within North America, USA hotel occupancy rates were at 68.5% in June 2012; for the whole of 2009, the USA recorded the worst hotel occupancy rates since the Great Depression. These rates were expected to increase to 70% in the USA for summer 2012, although it is expected that it will be some time before investment increases again (Smith Travel Research, 2011; www.hotelnewsnow.com).

According to Euromonitor International (2012), mid-priced hotels are benefitting from ongoing consumer caution regarding their spending to drive growth across the globe. Mid-range hotels performed well in Asia Pacific and Latin America, as the booming economies of the BRIC countries boosted business and leisure stays. While luxury properties led out of the recession, mid-price outlets are performing strongly as competition and pressure on incomes impact consumers. North American consumers opted for lower prices and low frills, while budget hotels in the USA gained 1% in value share at the expense of luxury properties.

Extended stay hotels showed resilience through the recession, with properties offering discounted rates for long stays and providing kitchen facilities for guests. Key outlets include Marriott's Residence Inn and Staybridge Suites by InterContinental Hotels Group.

There is currently a growing preference worldwide for 'authentic' and experiential travel (ITB Berlin, 2012). This has led hotel groups to cater to a shift in consumer preferences by creating more unique, boutique / lifestyle properties. Not only do they attract high paying travelers, they also can be more profitable with their positioning and pricing like a luxury hotel without the associated operating costs. As travelers demand unique holidays, of which hotels are an integral part, the potential of boutique style hotels grows. Growing global affluence and a more demanding younger generation are expected to contribute to a shift to hotels that are lifestyle driven. In addition, establishments that opt to stay ahead through the use of online technologies will benefit over those that do not; those that continually enhance their online presence will promote distribution and stay in touch with consumers (Euromonitor International, 2012).

The hotel industry has also begun to contemplate a group of travelers it sees as crucial to its economic growth, i.e. Generation Y, or those in their 20s to mid-30s. This demographic is obsessed with technology, social media and design. As a result, many hoteliers are remodeling existing hotels or introducing new ones that offer services and fittings that attract this demographic, such as free Wi-Fi, welcoming lobbies with comfortable furnishings, state-of-the-art fitness areas, in-room power consoles for iPads, laptops, and other mobile devices, and stylish bars that spill into the lobby. Some are also scheduling nightly social events, like happy hours and free wine tastings, aimed at luring this market segment to their hotels. Travel spending by these travelers rose 20% in 2010, making them the fastest-growing age segment, according to American Express Business Insights, though they still lag the baby boomer generation in overall spending. (Morrissey, 2012).

The future of the accommodation sector worldwide speaks to a new luxury design paradigm. The challenge for the sector is to provide an accommodation experience that guests will find favourable and readily recommend. With respect to defining consumer preferences and developing a synergy between physical characteristics of a hotel and guest experience, the following key characteristics of the hotel / hospitality service industry were highlighted at the BITAC (Buyer Interactive Trade Alliance & Conference) Luxury by Design event held in March 2012 in California (Luxury by Design, 2012):

- Fluctuating tastes and desires
- Higher consumer expectations with lower budgets than the peak 2005-2007 period
- Handcrafted experiences
- Better service, independent of hotel décor

Expectations for future consumer preferences were also categorized by the conference attendees as follows:

- Personalized experiences – 63%
- Larger rooms – 17%
- Advanced technology – 11%
- Possessing a unique "signature amenity" – 9%

Note that the TMP workshops held in 2012 identified changing consumer preferences as a critical factor in which the global arena has affected tourism in Barbados. These workshops also indicated that adaption to new information technology is one of the greatest concerns for progressing the Barbadian tourism sector.

The White Paper (Strategic Solutions Inc., 2012, p. 207) noted the following opportunity for the accommodation sector in Barbados:

> "*The fact that over 70% of the hotels in Barbados are small hotels, presents an excellent opportunity to raise the standards through the development of a high quality product of eclectic boutique hotels with a unique Caribbean flavour, locally styled furnishings and local cuisine, which offer high quality, personalized Barbadian hospitality and service*".

Becoming aware of visitor demands and preferences worldwide, and the changing consumer tastes and expectations will be critical for Barbados if it is to remain competitive as a tourism destination.

2.8 Strategic Outlook

Due to the weakening of the tourism market following the start of the 2008 recession, and the ensuing decline in active accommodation projects, additional supply is forecasted to be minimal given the high cost of operations. This has had a positive effect on occupancy statistics and bodes well for existing accommodation operations. Growth in the sector is expected to improve within the next few years as recovery continues in the main source markets. This progressing recovery should encourage investors to view Barbados as a market of choice as hoteliers regain confidence in the sector. The provision of superior service excellence will help to promote this recovery (Wellington and Harvey, 2012).

The BHTA initiated discussions with the Government of Barbados in 2012 relative to revising the Tourism Development Act (Cap. 341, 2002) to assist owners and developers of accommodation properties to enhance the sector's overall performance. In 2013, Government revised the Second Schedule of the TDA by increasing the list of items that can be imported duty-free by tourism enterprises.

Recent studies on the competitiveness of the tourism market, and policy documents that have been developed relative to the industry, have provided some recommendations to help boost the accommodation sector in Barbados (see PCS study, 2009; White Paper by Strategic Solutions Inc., 2012). The BHTA is currently implementing some of the PCS (2009) study recommendations, and is restructuring itself as a result. The White Paper is being used as a guideline for overall development of the tourism sector.

In the March 2013 Throne Speech delivered by the Government of Barbados, it was recognized that there is a need to enhance the competitiveness of Barbados tourism through upgrading and refurbishing existing properties and adding brand name hotels. Government will also facilitate the rebuilding of Almond Beach Village (a 395 room hotel) and provide US$20 million for retrofitting air conditioning and lighting systems in the hotel sector as a means of reducing energy costs.

Based on research completed on the current status of the accommodation sector and stakeholders interviewed in Barbados since January 2012, several *key issues* are presented, with corresponding actions referenced where applicable.

(1) There is currently *a lack of data available to enable the determination of the right mix of room numbers by hotel type (i.e. accommodation mix)*. This finding was also noted by PCS (2009; p. 118) in their assessment of demand and supply in the accommodation sector.

This issue can be addressed through the development of an updated database of room supply for all accommodation typesthat will require the following initiatives to be undertaken:

- A system ofregulating and enforcing the comprehensive registration of all visitor accommodation properties. This should include legislation required to register and operate villas and condominiums that are placed on the rental market. A BTA-registered seal / stamp for all accommodation types should appear on publicly accessible websites
- Preparing an annual inventory of registered room supply by international classification relative to type, standard, and location
- Preparing an inventory of all planned, approved, and under construction accommodation projects according to location, size, standard, and timing
- Making the data publicly available to enhance transparency and promote investment in the sector
- Developing a centralized unit that accumulates all relevant accommodation data with the capacity for its consolidation and analysis (refer Action6.1-2 in Section 2.9; see also Action 1.1-1 in Report IV, Section 2.5)

The Government of Barbados established a Tourism Working Group (TWG) in 2011 comprised of key representatives of the tourism industry including the BHTA, BTA, BSS, CTO, CBB and MOT. The TWG's mandate is to identify existing tourism data and highlight perceived gaps and discrepancies in order to improve understanding of the available data.

Along with the TWG's data initiatives and collaborative research illustrated in Table 15, (pp. 242) the following *improvements in the quality of data collected* may be considered in the following areas:

- A projection of hotel occupancy by standard of accommodation will require a reclassification of properties based on an agreed evaluation of property status against international standards such as AAA rating. In the absence of these ratings for all visitor accommodation, occupancy rates should be tabulated and analyzed by establishment so that the data can be more accurately reviewed and analyzed
- Approximately 30% of BHTA members report their monthly occupancy rates; achieving more comprehensive reporting of occupancy rates is required to support planning initiatives in the industry
- Some properties currently listed by the Intimate Hotels group do not appear on the BTA master list of accommodation and bedrooms; greater consolidation of data is required to increase accuracy of the existing room supply inventory
- Some of the categories on the Barbados Immigration cards are unclear and can contribute to the gathering of inaccurate data. Improvements/clarifications in the categories presented would help to enhance the quality of the data being collected
- There are current data overlaps in certain categories used to classify accommodation. For example, some condo-hotels are listed by the BTA as apartments or hotels, and some villa developments are listed in the hotel or apartment category. A change in the way properties are classified and defined is necessary to improve the quality of the data being compiled so that appropriate comparisons can be made to help inform policy and strategic planning

Table 15. Tasks of the Tourism Working Group

Data Initiatives	Collaborative Research
• Comparison of demographics of those registered with BTA and BHTA members • Exploration of further information available on Occupancy Rate statistics • Examination of varying standards of categorization and classification • Quarterly Survey of BHTA members	▪ The Impact of The Olympics, Elections, and Other Similar Events on Arrival Levels in Barbados ▪ Behavioural Patterns of Visitors to Barbados as it Relates to Villa Accommodation ▪ The Development and Outlook of the Cruise Industry in Barbados
Source: Central Bank of Barbados, 2012.	

(2) *The variety of accommodation being provided should support the niche tourism markets being promoted* (see Table H11; see also Section 3.0). *Analysis of current market trends* (refer Report IV, Section 2.2) *and visitor accommodation preferences* are critical to remaining competitive in the industry. The Accommodation mix should also be informed by *global market trends* in visitor preferences and trends in accommodation type. The regular and frequent monitoring of these trends will be an important function for the Ministry of Tourism and International Transport. For instance, providing accommodation that enables more personalized experiences for visitors within unique, boutique/lifestyle properties would meet the current global demand for this accommodation preference.

Table H11. Accommodation amenities that would help support emerging niche tourism markets.

Niche Market	Accommodation	Amenities
Accessible	All Categories	• Ramps • Elevators • Bathroom retrofits to accommodate wheelchair / handicapped access • Instituting universal design principles to infrastructure, including lowered hotel reception desk modules, lower light switches in rooms, computer desks at comfortable heights • Availability of accessible transport to and from accommodation properties • Allocate comfortable seating in all hotel lobby areas for meeting with guests and supporting entourages • Clearly designated areas for parking that is closest to the Reception area
Silver Market	All Categories	*In Guest Rooms*: • Better lighting at writing table, bedside, closet, TV set, room entry • Master electrical switch at bedside to control all room lights • TV and radio operation instructions that are easy to read, clear in direction, simple to operate and well lit • Clear instructions on how to use the telephone

		• Alarm clock that is easy to programme and read • Lamp switches at the base of the lamp that are easily seen • All printed materials well written, clearly printed, and large enough to read easily *In Bathrooms*: • Apply non-skid material to both the bathtub floor and the bathroom floor • Install well-placed and secure hand holds and grab bars in bathtub/shower area • Easily adjustable shower heads • Eliminate hot water surges and provide scald-proof hot water • Provide good lighting over mirrors • Install night lights in rooms • Install magnifying mirrors on accordion brackets • Provide a UL-approved hair dryer with a wall-hung bracket • Supply better-quality, more absorbent towels • Make sure all shower curtains are long enough to reach well below the bathtub top • Provide bathroom amenities (shampoo, lotion) in containers which are easy to identify (with large print) and which have raised surfaces on the cap for easy turning when hands are wet • Provide some bathrooms for handicapped and wheelchair access *In Corridors And Elevators*: • Well illuminated corridors • Easy to read, well-designed directional signs • Elevators should have clear and well lit floor buttons with "Door Open" buttons easily located • Elevator door bumpers should retract readily when touched • Exit signs should be installed close to the floor so that they won't be hidden by rising smoke *Security And Safety*: • Voice activated fire emergency alert systems • Smoke detectors • Sprinklers • Medical service availability with provision for emergency illness • Valet parking • Well-lit parking areas with shuttle services • Uniformed security guards on duty at critical times *(Source: Turkel, 2006)*
Medical	Accommodation in quiet and relaxing environments that are compatible with recovery and promotes rehabilitation	• Accessible amenities • On call emergency medical services • Provision of healthy diet regimes • Provision of rehabilitation services, e.g. physiotherapy • Custom designed medical facilities, e.g. 'green hospitals' with Joint Commission International

		accreditation mandatory • Highly trained professional service providers in the medical tourism field • Fully accessible amenities and facilities for travelers who plan treatments and vacation • On-call emergency medical services
Health & Wellness	Accommodation in environments that are conducive to rest, relaxation, and mind/body therapeutics	• Spa & wellness facilities including yoga, pilates, fitness, meditation • Meeting rooms for seminars in wellness / fitness • Provision of healthy diet regimes • On staff nutritionists and fitness trainers • Healthy lifestyle branded amenities catering to the visitor's way of life, self-image, and health interests
Conference	Hotel with 800 to 1,000 room capacity near Bridgetown	• Large conference rooms • State of the art conference centre • Ergonomic conference chairs • Multiple meeting rooms • Amphitheatre • Ballroom space to accommodate large dinners • High speed internet access throughout • Variable lighting levels • Individual temperature controls • Multi phone line capability in all meeting rooms • Latest audio-visual equipment • Full service business centre
Sports	Hotels offering group rates and special packages for athletes	• Double occupancy rooms • Dining facilities that cater to athletes with nutritious menu items • Close to main sports venues • Ability to host large teams • Pool and gym facilities • Packages that facilitate sports and entertainment on non-compete days

(3) *Examination of existing data suggests that room supply exceeds current demand*; given the reduced pace of new developments expected to enter the market within the next few years, and the possibility of further closings of accommodation properties, occupancy rates may continue to improve. Where pending new developments open over the same period, there will be an increase in room stock and a resultant redistribution of room occupancy unless visitor arrivals increase proportionately.

According to the President of the BHTA, "*present marketing of Barbados requires greater focus and adjustment….Barbados has been missing from all media over the last 18 months and the decrease in arrivals has reflected this void*" (Affonso-Dass, 2013[2]).

> Effective marketing programmes, including the offering of incentives that focus on attracting more visitors from traditional and new markets, will help to fill existing rooms and improve occupancy rates to pre-recession levels (refer Action6.1-5 in Section 2.9;see also Report IV, Section 1.0).

(4) Aside from improving tourism data research, extraction and analysis, there is a need to *simplify the process of establishing and operating accommodation properties* in Barbados.

> This may be achieved through the development of a centralized unit, ideally within an existing institution, e.g.MTI, BTII, or Invest Barbados, which would help to streamline the process of licensing and registration, thereby reducing the burden on investors and promoting the ease of doing business in Barbados (see Section 2.3; refer also Action 6.1-3 in Section 2.9).

The BHTA has stressed the benefits of developing a facilitation unit for issues relevant to the accommodation sector within the Ministry of Tourism and International Transport through which challenges to the sector could be efficiently routed to the relevant agencies, ministries, or stakeholders for prompt and efficient resolution (Beckles, 2013).

(5) A *focus on accommodation quality* would help to promote Barbados as a destination aiming for excellence in this sector.

> In this regard, *achieving consistency and setting appropriate standards in upgrading the hotel plant* is a critical consideration (refer Action 6.1-1 in Section 2.9).

(6) *Barbados has the potential to become a model for sustainable tourism in the region*. This can be achieved in part by promoting *green* operations in the accommodation sector in accordance with the country's sustainable development goals.

> The development of regulations and stimulation of compliance in the use of green technologies can be achieved through the provision of adequate incentives, e.g. set goals whereby all new accommodation developments are to be renewable energy compliant, and existing properties to be retrofitted in this regard by specified target dates (refer Action 6.1-4 in Section 2.9).

At a Greening Workshop held in Tobago on November 10, 2011, the CHENACT project recommended the incorporation of a clean energy policy in the TDA (2002, Cap. 341), as well as a plan of action in renewable energy for the tourism sector via hotels and attractions (Duffy-Mayers, 2011). These types of initiatives will help to promote green operations in the accommodation sector.

In the 2013 Throne Speech, the government announced that it is establishing a $150 million Hotel Refurbishment, Energy Efficiency, and Food Production Fund within the NIS investment portfolio. Within the first phase of this Fund, and as part of the recent Ten-Point Tourism Plan, Government will provide BDS$10 million for retrofitting air conditioning and lighting systems in the tourism and hospitality sectors, with further aspects being provided in the coming months. Under the same Plan, Government will also launch a programme to

increase the number of Green Globe certified hotels (Alleyne, 2013).*Hoteliers will need to support these initiatives to progress the sustainable development of the sector*.
Further outlined in the ten-point tourism plan is government's proposal to implement a marketing strategy to promote Barbados as a green destination and a clean energy destination. This will help to promote the greening of the accommodation sector.

(7) *Continue to ease budgetary constraints relative to input* costs *for visitor accommodation*. In August 2013, the government passed a Budget that included a measure to reduce the VAT from 8.75% to 7.5% on tourist accommodation and direct tourism services from October 1, 2013. Any further reductions in taxation, operating costs, and lending rates will help to boost the viability of the industry and increase the competitiveness of the island's tourism product. This could also include hospitality services such as the restaurant industry.

There have been requests made by the hotel sector in this regard, e.g. in 2012, the BHTA requested that consideration be given by the Government of Barbados to approve a tax rebate for Barbadians who take the opportunity to vacation at the island's hotels (Riley-Thornhill, 2012; see also Section 3.2.1.8). By encouraging domestic tourism and educating locals on the offerings available to them in the tourism sector, employment can be maintained and much needed foreign exchange kept in the country.

In addition, at a quarterly meeting held on September 12, 2012, the BHTA highlighted other areas that require urgent attention by Government, in particular VAT charges, utility costs (especially assistance relative to electricity fees), funding and restructuring of the BTA, and revision of the TDA (2002, Cap. 341) relative to additions to the Second Schedule (BHTA, 2012; Brancker, 2012). The BHTA believes that items in the Second Schedule need to be continually revisited taking into consideration benchmarking and best practices. Finding measures for immediate relief to improve the sustainability of the industry is also seen as critical to the BHTA (BHTA, 2012).

(8) *Aim for service excellence in the industry* through the provision of certified hospitality staff training programmes to inculcate a culture of international standards. This should include the training of tourism industry staff in key foreign languages (e.g. Spanish, Portuguese, Mandarin) so that visitors from emerging source markets in Asia and Latin America can be serviced at the highest levels. Links with the Barbados Host Programme (May Hinds Consulting Inc., 2012) relative to service excellence initiatives should also be encouraged.

(9) Develop a programme that may be enforced through relevant Health Regulation Acts to *decommission closed accommodation properties* within a specified time period so that those properties do not remain as a blemish on the landscape. Some of these should be addressed within the recent Ten Point Tourism Plan, through which government will engage partners to construct a new hotel plant and rebuild / reopen a number of derelict properties.

(10) *Develop a conference hotel* to meet the needs of the conference traveler and boost occupancy rates through the hosting of large groups within this specialized niche market (see also Report V, Part 2, Section 3.2.1.5and Action 2.1e-1).A total of 16 out of 63, or 25% of hotels have conference facilities, but none of these hotels are specifically designed for the business traveler.

> There is a need for accommodation to cater specifically to the business traveler and those attending conferences/seminars.

The BHTA supports the development of hotel accommodation with the capacity of 800 – 1,000 rooms with a large conference facility in or near Bridgetown (pers. comm., S. Springer, BHTA, October 2012).
Currently the Barbados Hilton provides the largest total conference space capacity of 10,000 sq. ft., accommodating from 40 to 570 per conference room, with 350 guest suites. To attract larger conference groups on a regular basis, appropriate infrastructure would need to be developed. One of the recommendations provided in the Master Plan for Needham's Point (Coopers & Lybrand, 1997) was to develop sufficient meeting and conference space ranging from 12,000 to 15,000 sq. ft. within an upscale branded hotel. The new Barbados Hilton developed in 2005 currently provides less than the total suggested conference room capacity.

During the period that Almond Beach Village was operational, it provided the largest number of hotel rooms in Barbados at 395, with only a small conference capacity accommodating up to 180 people. Any larger conference groups opting to stay there would have had to move off property to conduct meetings. Large independent conference facilities are provided at the Lloyd Erskine Sandiford Centre; however there is no associated accommodation there.

(11) The preference for villa accommodation consistently grew over the past decade and is expected to continue in this regard.

Further efforts inpromoting the villa segment, as well as the condo-hotel and timeshare markets, will help to capture the growing number of visitors seeking self-catering units of a high quality.

For example, creating a 'Family' category on the BTA website to help capture visitors seeking family-oriented accommodation, including self-catering units and high-end villas, is an option for consideration. In addition, the proposed Government programme to help market villa accommodation as part of the available room stock, a component of the recent Ten-Point Tourism Plan, will help to showcase the villa accommodation sector in Barbados.

(12) *Create a highly visible weblink on the BTA website* that links to the BHTA accommodation booking engine at bookbarbadosnow.com.

Recommended actions that address a number of key issues in the Accommodation Sector are presented in Section 2.9.

2.9 Actions Recommended for the Accommodation Sector

6.1-1 Strengthen Accommodation Quality Assurance

Description:

Providing hotel accommodation can be a complex and costly procedure relative to maintenance of its uses and services, e.g. guestrooms, restaurants, health clubs, pools, and retail stores. Each component may require independent technological systems. Maintenance is year-round and therefore requires competent building staff in addition to operation and maintenance requirements. In the accommodation sector, maintenance is critical and despite its complexity, sustaining a high standard of infrastructure will directly affect the quality of hotel services, which in turn affects guest impressions (Chan et al., 2001). By sustaining superior value, accommodation providers will be able to build customer loyalty and increase the value of their businesses.

Understanding your clientele and their specific needs is critical to maintaining each aspect of the facility at the desired level. New trends, technological changes and macro factors in local and global economies influence the hotel market. In order to anticipate future needs, accommodation providers may reference quality standards for maintaining their place within the market by keeping their facilities up-to-date. Maintenance is typically characterized as one of the following:

- Routine - Daily functions of equipment checks
- Corrective - Planned or unplanned maintenance to restore as-built capabilities
- Preventive - Inspections, alterations and upgrades to maintain active use
- Emergency - Actions to avoid further equipment damage and adverse consequences

Up to 30% of the maintenance resources may be expended on routine processes. Where routine maintenance is viewed as inconsequential, future collapse of the systems require more intensive and costly remedial works. A clear maintenance policy and monitoring framework guard against wastage of resources in any maintenance category such that resources spent on routine maintenance would not be wasted (Chan et al 2003). Where resources need to be spent on emergency maintenance or replacement of infrastructure or technology that has not been kept up to the requisite standard, funds may have to be diverted from other routine or preventative tasks. This neglect can lead to a more costly cycle of degradation. In difficult economies, maintenance suffers owing to reduced expenditure. The specific objectives and level of motivation of the owner, financing and short-term profitability combined with available experience and manpower can influence a provider's ability to deliver adequate maintenance (Hassanien, A., & Losekoot, E., 2002).

Expected Outcomes:

- More efficient energy and resource usage in the accommodation sector, and lower associated costs over the long term
- Enhanced level of aesthetics of the hotel plant
- Increased visitor satisfaction with the physical product in the accommodation sector
- Increased longevity of the hotel plant through proper maintenance programmes

Guidelines for Implementation:

- Technical advice in architectural and engineering services should be offered in the form of a preliminary infrastructural review by a Government agency (e.g. a public sector division in consultation with the BTA and BHTA). The review would be followed by a formal audit upon request by the property. The audit would detail key programme elements and core competencies required to maintain the desired level of functioning and competitiveness within the industry. Technical personnel should be familiar with the international AAA Diamond rating system. The audit would not be for classification purposes, but would provide guidelines regarding potential areas of upgrade.

- Accommodation providers seeking access to tourism loan funds (e.g. TIRF 2) for infrastructural work or the installation of technological systems should provide a Maintenance Policy / Plan for approval covering the period of repayment. Adherence to the maintenance policy should be used as a key monitoring indicator, with a standard assessment being completed every 2-3 years for infrastructure, equipment or technology according to the Plan submitted.
- Incorporate the CHENACT (Duffy-Mayers, 2011) recommendations relative to the specific energy audit findings for energy management procedures and equipment maintenance in the accommodation sector. Some of the findings included electricity usage from air conditioners approximated 48% of total monthly energy consumed within accommodation establishments that were assessed in the CHENACT energy audits. Water leakages accounted for 20% to 50% of the total water bills in the majority of hotels surveyed.
- The overall assessment categories for physical infrastructure should include:
  - Structure
  - Engineering
  - Energy systems
  - Electrical systems
  - Plumbing
  - Air conditioning
  - Green technology
  - Computer systems
  - Disaster preparedness
  - Accessibility standards
- The technical capability of in-house maintenance staff should also be identified with respect to assessing those maintenance services that need to be outsourced, potentially at a higher cost depending on the specialist need.

Challenges With Implementation:

May require the creation of a dedicated division in the public sector that would be responsible for regular and comprehensive assessments of the hotel plant to keep the standards high in the accommodation sector

Recommended Implementation Agencies:

Ministry of Transport and Works -Architectural Division (in collaboration with the BHTA and BTA)

Priority / Implementation Timeframe:

High/Short Term: This is viewed as an **urgent** priority action in the TMP Implementation Plan (refer Report I, Section 5.0)

Target Users:

Accommodation property owners

Who Benefits:

- Accommodation property owners
- Visitors
- Economic benefits through improved visitor arrivals

Risks:

- Achieving successful programme implementation
- Coordination between public and private sector stakeholders

Estimated Costs:

- Costs for each audit will vary according to property size and the existing state of each facility
- Public sector staff costs

Source of Funds:

- Government of Barbados for Stage 1 (Reviews)
- Accommodation property owners for Stage 2 (Full Audits)

Revenue Generation Potential:

- Indirect through increased efficiencies of systems and services
- Expected associated increases in hotel revenues

Further Development Work Required:

- Costing
- Coordinating with the Tourism Working Group to promote synergies

Other Considerations: See Table H12 for a list of characteristics to be assessed based on the AAA Diamond rating system. This can be used during the Stage 1 Review period prior to the audit stage.

Table H12. Proposed infrastructural assessment criteria for accommodation properties (adapted from the AAA Diamond rating system – American Automobile Association, 2012[2]).

Facility Assessment – Built Infrastructure & Amenities						
Quality of Built Amenity / Level of Appointment, Design or Functioning						
Exterior	**Basic**	**Good**	**Very Good**	**Excellent**	**Outstanding**	**Comments**
Curb Appeal						
Parking						
Corridors						
Walkways and surfaces						
Illumination						
Wall Finishes						
Signage						
Landscaping						
Public Areas						
Pool amenity						
Recreational / Sporting Facilities						
Lobby / registration Area						
Meeting Rooms						
Restrooms						
Shops						
Guestrooms						
Furnishings and Décor						
Free floor space-Freedom of motion						
Wall covering						
Floor covering						
Window Covering / Amenities						
Illumination						
Ventilation/Air-conditioning						
Fixtures and green technology, e.g. water efficient/energy saving fixtures						
Accessible amenities						
Communications / Internet / Wireless services / Telephones						

6.1-2 Mandate Registration and Develop Accurate Accommodation Supply Database

Description:

Accurate data collection and analysis in the Accommodation Sector is critical for determining the true performance of the sector and helping inform decisions / actions required to foster vibrancy and competitiveness in the industry.

Currently, there are data gaps and inconsistencies in the following areas:

- Statistical categories are not consistent across different organizations capturing data
- Certain category definitions are not entirely accurate
- Some of the current data collected is not representative of the entire sector, making it difficult to draw accurate and meaningful conclusions
- Some data sets are missing that would help to draw critical conclusions regarding the sector's performance
- Upgrading the way certain data is collected, e.g. via the Immigration Cards distributed upon entry to the Grantley Adams International Airport
- Data gaps relative to non-registered accommodation not only compromises the accuracy of conclusions drawn on the sector's true status, but also the control of basic standards in the industry relative to accommodation. Moreover, it is unclear from the Barbados Tourism Authority Act (1995) whether the BTA must register all visitor accommodation, or whether the registration is mandatory for all accommodation.

Personnel tasked with data collection and analysis should have the requisite training in order to extract results that are representative of the sector's performance. Improvement of both data collection systems and the research & analysis capabilities executed by trained personnel, along with the registration of all properties that provide accommodation to visitors, will all significantly enhance the sector's information base. Development of a dedicated department within the MTI that provides tourism research should include the accommodation sector (see also Actions 1.1-1 to 1.1-5 in Visitor Research Management, Report IV, Section 2.5).

Expected Outcomes:

- Consolidation of accommodation sector research within the MTI with the coordinated support from other tourism agencies / organizations
- Trained personnel to conduct, analyze and manage the research
- The use of research to inform and further develop the sector through appropriate policy development and investment
- Improved data collection systems, including Immigration Cards at ports of entry

Guidelines for Implementation:

- Development of a well-coordinated research section for the accommodation sector within the MTI which forms part of an overall tourism research department
- To provide institutional strengthening and capacity building in visitor accommodation research within one coordinated entity
- Enhancing the way data is collected, e.g. through an improved Immigration Card that requests data from visitors entering the country
- To mandate the registration of all visitor accommodation properties to foster standardized controls in the industry and provide an accurate picture of the full range of accommodation being offered Barbados

Challenges With Implementation:

- Difficulty with consolidating the number of agencies currently involved in accommodation research
- Limited capacity of the MOT to assume responsibility for accommodation research and data management
- It is unclear whether the new Tourism Working Group is addressing the consolidation of accommodation research
- Would be reliant on government amending the BTA Act to legislate the mandatory registration of all properties supplying visitor accommodation
- Permission to revise the Immigration Cards to extract more accurate visitor arrival data

Recommended Implementation Agencies:

Ministry of Tourism and International Transport

Priority / Implementation Timeframe:

High/Short Term: This is viewed as an **urgent** priority action in the TMP Implementation Plan (refer Report I, Section 5.0)

Target Users:

- MTI staff
- Tourism researchers
- Stakeholders in the accommodation sector

Who Benefits:

- Tourism researchers
- Improved availability of information on the accommodation sector for all who seek it
- The improvement in data extraction and analysis will have a positive impact on the industry as it relates to enhancement of the sector

Risks:

- Cooperation from related agencies and proper coordination of all research under one umbrella
- Enforcement of mandatory registration of visitor accommodation

Estimated Costs:

- Increased budget for the MTI to support the initiative, inclusive of staff hiring and training, and appropriate data collection, statistical analysis, and management programmes (both hardware and software) - from Government budgetary estimates (estimated at no less than BDS$250,000)
- Redesign of the Immigration Cards at ports of entry – design and reprinting costs to be determined

Source of Funds:

- Government of Barbados
- IFI programme support relative to institutional strengthening and capacity building in Tourism

Revenue Generation Potential:

Indirect benefits via enhanced information processing and retrieval to promote greater efficiencies that would generate a more viable tourism industry

Further Development Work Required:

- Costing
- Source of adequate financing (relevant IFI programmes to be identified)
- Coordinating with agencies currently collecting accommodation data and seeking their cooperation
- Coordinating with the Tourism Working Group to promote synergies

Other Considerations: Linkages with Visitor Markets Research and Visitor Research Management; see also Action 1.1-4 in Report IV, Section 2.5

6.1-3 Create an Office of Tourism Accommodation

Description:

To create a new public sector unit that would facilitate and streamline all licensing and registration procedures required for visitor accommodation properties to operate in Barbados. The proposed 'Office of Tourism Accommodation' would aim to significantly increase the efficiencies in the accommodation sector relative to its statutory obligations. The new public sector entity would coordinate applications to the relevant departments including the Ministry of Health, EPD, TCPO, CZMU and BWA. In addition, every registered hotel, apartment, guesthouse, or villa being offered for visitor use would be assigned a unique identification number and file within a specialized electronic system for easy access to all of its records within one umbrella unit. When an accommodation entity is required to register, renew a license, or pay VAT and NIS, a search on the system would indicate if the hotel is up to date with its obligations. Those that are current would qualify for available concessions and the process of identifying each establishment's status would be expeditious.

The ability to attract new hotel brands, promote investment in new accommodation opportunities, and retain existing operations would be made significantly more attractive if the statutory processes relative to tourist accommodation were vastly improved. The current process is time consuming and potentially frustrating given that hoteliers have to interact with numerous public sector departments to 'set up shop' and stay operational.

Expected Outcomes:

- A more efficient system of establishing and maintaining the licensing and registration of new and existing visitor accommodation properties in Barbados
- Creation of a well-organized database to help streamline the registration process as well as the upkeep of licenses in the accommodation sector

Guidelines for Implementation:

A new public sector agency would be created within the BTII, with dedicated staff trained to execute the relevant tasks. This new 'Office of Tourism Accommodation' would be a direct liaison between hoteliers / owners of accommodation properties and the Government.

Challenges With Implementation:

- Would require the establishment and staffing of a new public sector department with staff training required
- The need for sourcing or creating an appropriate electronic database that could deal with the required recordkeeping

Recommended Implementation Agency:

A newly created umbrella agency in BTII as the 'Office of Tourism Accommodation', in collaboration with the BTA

Priority / Implementation Timeframe:

High/Short Term: This is viewed as an **enabling** priority action in the TMP Implementation Plan (refer Report I, Section 5.0)

Target Users:

- All hoteliers and owners of visitor accommodation properties
- All potential new operators of visitor accommodation properties

Who Benefits:

The operators of visitor accommodation properties would benefit. In addition, the increased efficiencies within Government would result in less paperwork and more coordination amongst separate departments within the public sector. Jobs would be created to staff the new agency.

Risks:

- Keeping public sector job redundancies at a minimum
- The time required to establish a new department within the public sector

Estimated Costs:

To be determined

Source Of Funds:

Government of Barbados – Ministry budget allocations

Revenue Generation Potential:

- The improved process would help to attract more business in this sector, including brand name hotels
- Increased efficiencies would translate into more timely payments to Government and meeting of obligations by the accommodation sector

Further Development Work Required:

- Costing
- Source of financing
- Identifying the appropriate Ministry to house the division

Other Considerations: Linkages with the relevant Ministries involved in registering and licensing for accommodation establishments.

6.1-4 Green the Accommodation Sector

Description:

The wide-scale promotion of alternative forms of energy within the accommodation sector in Barbados would not only be in line with the concepts and principles set out in the White Paper (Strategic Solutions Inc., 2012), but also support the country's sustainable development initiatives and the objective to create a greener economy. Globally, the use of greener technologies is becoming more widespread as consumers are becoming more aware of the need to conserve the planet's natural resources. Indeed, "current trends indicate that education and awareness of the impacts of tourism has led many consumers to seek more responsible holidays…as Green Travel continues to become the 'new normal', consumers are looking to bring their green living habits to their travel experience and are increasingly demanding more sustainable options. In light of this trend, environmentally friendly properties are steadily gaining market share among a new segment of travelers" (Strategic Solutions Inc., 2012, p. 106). The White Paper also called for "*…the institutionalization of more efficient operations, better utilization of energy and investment in green technologies and human capital"* (Strategic Solutions Inc., 2012, p. 209) in order to elevate the standard of the industry.

One of the challenges currently facing the accommodation sector in Barbados is the very high operating cost, including those related to energy consumption. Given that Barbados has ample and consistent sun exposure throughout the year, the use of alternative energy sourced from the sun is extremely attractive, especially as that source is free and abundant. The cost for the hotel sector would be mainly for equipment required to harness the sun's energy and convert it to electricity. A public sector programme of incentives that supports a full conversion of all hotel accommodation to the use of renewable energy would help the sector convert from conventional diesel-driven energy sources of electricity to those powered by the sun. At the same time, it would support Barbados' aim to create a greener and more sustainable economy.

This strategy would support the initiatives of the ongoing CHENACT project, and has been discussed with stakeholders including the BHTA.

Expected Outcomes:

- Conversion of existing hotels to solar powered electricity and the requirement for all new accommodation developments to be powered by same
- Production of electricity to meet the needs of the accommodation sector, with any surplus transferred to the national grid
- Development of additional public sector programmes of incentives that would assist the sector in affording the technological conversion

Guidelines for Implementation:

- To encourage all existing accommodation establishments to convert to solar powered electricity via a phased approach, with the aim to have all converted by the year 2020
- A public sector programme should be developed to substantially reduce the duties/levies on photo-voltaic and other relevant equipment in order to increase the affordability of conversion to solar powered electricity in the accommodation sector (in addition to the removal of VAT on some related goods and services which was provided in the 2012 Budget); other incentives, (e.g. tax deductions for compliance) to promote conversion should also be provided by the public sector
- To mandate all new accommodation developments to install solar powered units as a means of

harnessing their electricity needs
- To reduce the payback period from the expected 3-4 years on initial investment
- To source funding agencies that are assisting with pilot projects in alternative energy initiatives in the region, e.g. IDB

Challenges With Implementation:

- Would require the 'buy-in' of existing accommodation property owners to agree to invest in the conversion to alternative energy
- Would require Government to amend the TCPO guidelines regarding energy sources for all new accommodation developments
- Would be reliant on government enacting additional fiscal incentives to support the strategy
- Seeking the participation of accommodation properties that are not registered

Recommended Implementation Agencies:

Energy Division of the Ministry of Finance (in collaboration with the BHTA)

Priority / Implementation Timeframe:

High/ Short Term: This is viewed as a sustaining priority action in the TMP Implementation Plan (refer Report I, Section 5.0)

Target Users:

- Owners of existing accommodation establishments in Barbados
- Developers of new accommodation in Barbados

Who Benefits:

- Local accommodation property owners who convert to solar powered electricity
- Local businesses offering alternative energy retrofits and installation services
- Environmental benefits through the use of cleaner energy
- Barbados can boast an accommodation sector that is committed to being green

Risks:

- Reliant on government to promote this strategy through added incentives so property owners 'buy-in'
- Need for large scale cooperation by existing accommodation property owners

Estimated Costs:

- Implementation costs will be specific to each accommodation property; return on initial investment to be recovered over the short term
- Other costs to be determined relative to the development of an incentive scheme by Government

Source of Funds:

- To be determined; may be at least partly indirect through Government incentives and initiatives such as the Smart Fund
- IFI programme support

Revenue Generation Potential:

- Long term savings in utility costs will allow the accommodation sector to have increased profits and more available funds that can be used for infrastructural upkeep
- Increased revenues in the alternative energy sector

Further Development Work Required:

- Costing
- Source of adequate financing (relevant IFI programmes to be identified)

Other Considerations: Linkages with national sustainable development and green economy initiatives, including the CHENACT project.

6.1-5 Identify and Market Accommodation to Support Longer Visitor Stays

Description:

Barbados is an excellent option for visitors seeking a holiday in a warm weather destination over long periods, especially over the winter season. The weather is consistently warm and inviting throughout the year; the beaches are prime; the cuisine is varied and of a high standard; there is a good variety of visitor accommodation; and the country is politically stable and relatively safe, with adequate medical facilities and other supporting infrastructure.

Florida is an example of a warm weather destination that attracts a significant number of visitors annually. For example, in 2007, Canadians spent more than CAD$2 billion in Florida over the winter season, and the duration of their stay was usually measured in months rather than days.

In order to enhance Barbados' appeal to visitors who seek extended stay-overs, the following factors would need to be addressed:

Increasing the availability of *affordable* accommodation for visits up to 6 months: Since renting accommodation on a nightly cost basis (as offered by hotels and some holiday villas) could be financially prohibitive for these long stay-overs, the accommodation sector would need to supply suitable property options on a more affordable basis. Whereas monthly accommodation rentals are normally for long-term periods (6+ months) and are generally in adequate supply, the mid-term rental market (1 to 6 month stays) is not as broadly available.
Marketing Barbados as a destination for "snowbirds" looking to escape the rigors of long, harsh winters (in Canada, Snowbirds are defined by the Canadian Snowbird Association as Canadians who travel to warmer climates for at least 3 months of the winter)

Expected Outcomes:

- Visitors planning to spend long periods in a warm weather destination would choose Barbados as a viable option over other competing destinations
- Visitor stay-over lengths would increase
- Visitor spend would increase
- The demands for ancillary services would be enhanced by longer term stay-overs

Guidelines for Implementation:

- Create a database category added to the existing online categories offered by the BHTA and BTA that would indicate suitable accommodation that could be offered to visitors seeking this type of stay-over
- Identify adequate affordable accommodation that would appeal to the longer term stay-over visitor and promote registration of these properties where relevant
- Conduct a workshop with the identified property owners/managers to promote the programme

- Develop a marketing plan aiming to showcase Barbados overseas as a prime over-winter destination

Challenges With Implementation:

- Would require the 'buy-in' of property owners to make their properties available for longer term rentals at affordable rates to attract this visitor segment
- May require government enacting further fiscal incentives to support the strategy. Under the Tourism Development Act, there are certain tax concessions for villa owners providing they place their properties within a rental pool for a minimum of 9 months each year
- Success of the strategy would require an effective marketing campaign aimed at targeting overseas markets
- Provision of ample attractions to appeal to longer-term stay-over tourists so they consider Barbados as an alternative "snowbird" option as opposed to other competing destinations in the region e.g. south Florida, Bahamas, etc.
- Registration of visitor accommodation in this category to ensure that industry standards are maintained

Recommended Implementation Agencies:

BHTA(in collaboration with the BTA)

Priority / Implementation Timeframe:

High/Short Term: Capturing the longer term stay-over tourists would generate more revenue from the increase in visitor stay and visitor spend, so should be rated high and implemented in the short term

Target Users:

- Foreign markets, especially in temperate zones
- All stay-over tourists

Who Benefits:

- Local property owners offering their properties for longer rentals
- Increase in visitor stay lengths
- Increased revenues from longer visitor stays
- Business owners offering ancillary services will benefit

Risks:

- Effective marketing programme required as the competition is high, especially in destinations that are more affordable relative to the cost of living
- Finding appropriate, up to standard, accommodation that would provide visitors with longer-term rental options

Estimated Costs:

- An adequate marketing budget to advertise this accommodation option in foreign target markets; including advertising media, and specifically aimed at the 50+ traveler and retirees who seek longer term warm weather holidays. Suggested initial annual budget is BDD$200,000
- Cost of running a workshop to increase awareness and develop cooperation amongst stakeholders is estimated at BDD$15,000
- Campaign to register appropriate accommodation should be possible within the current budget of the BTA

Source of Funds: Barbados Tourism Authority
Revenue Generation Potential: • Increased tourism revenues through longer visitor stay-overs • Increased revenues to service providers as tourists staying longer periods will be spending more locally
Further Development Work Required: • Creation of appropriate marketing campaign for foreign markets • Costing • Source of adequate financing
Other Considerations: Linkages with Silver Market Tourism, Medical Tourism, and Health & Wellness Tourism: The 50+ demographic is a lucrative target market for extended stay-overs, especially over the winter season.

LIST OF ACRONYMS

ABC	Aruba, Bonaire and Curacao
ABCH	Adams-Barrow-Cummins Highway
ABTA	Association of British Travel Agents
APD	Air Passenger Duty
APIS	Advanced Passenger Information System
BAC	Barbados Arts Council
BAS	Barbados Agricultural Society
BCC	Barbados Craft Council
BCC	Barbados Community College
BCCI	Barbados Chamber of Commerce and Industry
BCD	Barbados Council for the Disabled
BCG	Barbados Coast Guard
BDF	Barbados Defence Force
BDS	Barbados Dollars
BEF	Barbados Entrepreneurship Foundation
BFA	Barbados Football Association
BHF	Barbados Hockey Federation
BHTA	Barbados Hotel and Tourism Association
BID	Business Improvement District
BIDC	Barbados Investment and Development Corporation
BMA	Barbados Manufacturers Association
BMHS	Barbados Museum and Historical Society
BNSI	Barbados National Standards Institute
BPI	Barbados Port Inc.
BREA	Business Research and Economic Advisors
BRIC	Brazil, Russia, India, China
BRSA	Barbados Road Safety Association
BRTA	Barbados Road Tennis Association
BSA	Barbados Sailing Association
BSAF	Barbados Summer Arts Festival
BTA	Barbados Tourism Authority
BTB	Barbados Transport Board
BTII	Barbados Tourism Investment Inc.
BWA	Barbados Water Authority
CAA	Civil Aviation Authority
CAGR	Compound Annual Growth Rate
CARICOM	Caribbean Community
CBB	Central Bank of Barbados
CBC	Canadian Broadcasting Corporation
CBT	Community-based Tourism
CCCCC	Caribbean Community Climate Change Centre
CCL	Carnival Cruise Lines
CCLEC	Caribbean Customs & Law Enforcement Council
CCMF	Caribbean Centre for Money and Finance
CDB	Caribbean Development Bank
CDEMA	Caribbean Disaster and Emergency Management Agency
CERMES	Centre for Resource Management and Environmental Studies
CHENACT	Caribbean Hotel Energy Efficiency Action Programme
CLIA	Cruise Lines International Association
CLOBI	Cricket Legends of Barbados Inc.
COO	Chief Operations Officer
COSCAP	Copyright Society of Composers, Authors and Publishers

COTED	Council of Trade and Economic Development (of CARICOM)
CPACC	Caribbean Planning for Adaptation to Global Climate Change Project
CPL	Caribbean Premier League
CRMP	Coastal Risk Assessment and Management Programme
CRT	Centre for Responsible Tourism
CSO	Civil Society Organization
CSWA	Caribbean Spa and Wellness Association
CTO	Caribbean Tourism Organization
CZMU	Coastal Zone Management Unit
DC	Dual carriageway
DEM	Department of Emergency Management
DG	Director General
Dlx	Delux
Dlx+	Delux Plus
DMC	Destination Management Company
DOH	Duncan O'neal Highway
EBH	Ermie Bourne Highway
EBIT	Earnings before Interest and Taxes
ECA	Environmental Control Area
ECC	European Cruise Council (now CLIA Europe)
ECLAC	Economic Commission for Latin America and the Caribbean
Econ	Economy
Est.	Estimated
EU27	27 Members of the European Union
FAA	US Federal Aviation Administration
FAB	Fully Accessible Barbados
FCCA	Florida Caribbean Cruise Association
FIFA	Fédération Internationale de Football Association
GAIA	Grantley Adams International Airport
GCCA	Global Climate Change Alliance
GHG	Greenhouse gases
GIS	Government Information Service
GOB	Government of Barbados
GP	Geographic Positioning
GPW	G.P. Wild (International) Limited
HCTI	Holetown Chamber of Trade Inc.
HM Gov	Her Majesty's Government
HNIC	Hockey Night in Canada
HRH	His Royal Highness
IADB	Inter-American Development Bank
IAEG	Inter-Agency Executive Group
IASA	International Aviation Safety Assessment Programme
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
ICC	International Cricket Council
ICT	Information and Communications Technology
IFEA	International Festivals and Events Association
IFI	International Financial Institution
IICA	Inter-American Institute for Cooperation in Agriculture
IIED	International Institute for Environment and Development
Inc.	Incorporated
IOM	International One Meter (Boats)
IPCC	Intergovernmental Panel on Climate Change
ISAF	International Sailing Federation

ISO	International Standards Organization
IT	Information Technology
ITD	International Transport Division (of Ministry of Tourism)
JCI	Joint Commissions International
JV	Joint Venture
JRCC	Joint Regional Clearance Centre
LB	Lower Berths
LCC	Low Cost Carrier
LESC	Lloyd Erskine Sandiford Centre
LFI	Local Financing Institution
LOS	Length of Stay
MED	Ministry of Environment and Drainage
MHA	Ministry of Home Affairs
MICE	Meetings Incentives Conferences Events
MOT	Ministry of Tourism
MSC	Mediterranean Shipping Cruises
MTI	Ministry of Tourism and International Transport
MTW	Ministry of Transport and Works
NBSAP	National Biodiversity Strategy and Action Plan
NCC	National Conservation Commission
NCF	National Cultural Foundation
NCL	Norwegian Cruise Line
NFL	National Football League
NGO	Non-Governmental Organization
NHCA	National Heritage Conservation Area
NHL	National Hockey League
NIFCA	National Independence Festival of Creative Arts
NISE	National Initiative for Service Excellence
NOK	Norwegian Kroner
NPDP	National Park Development Plan
NRMU	Natural Resources Management Unit
NSC	National Sports Council
NTHP	National Tourism Host Programme
NTP	National Transport Plan 1996
Nyr	Not Yet Rated
OAS	Organization of American States
ODI	Overseas Development Institute
ODS	Ozone depleting substances
OECS	Organization of Eastern Caribbean States
OEG	Oxford Economics Group
PAH	Princess Alice Highway
Panamax	Cruise ships that do not exceed the current maximum permitted beam of 32.25 metres for ships that wish to transit the Panama Canal
Pax	Passengers
PB	Prescod Boulevard
PCW	Pinelands Creative Workshop
PDP	Physical Development Plan
Post-Panamax	Cruise ships that exceed the current maximum permitted beam of 32.25 metres for ships that wish to transit the Panama Canal
POV	Purpose of Visit
PR	Public Relations
PSA	Passenger Shipping Association (now CLIA UK and Ireland)
PSV	Public Service Vehicle
Q1	First Quarter

Q2	Second Quarter
Q3	Third Quarter
Q4	Fourth Quarter
QR	Quick Response Code
RBPF	Royal Barbados Police Force
RCCL	Royal Caribbean Cruise Lines
RCI	Royal Caribbean International
RMH	Ronald Mapp Highway
ROI	Return on Investment
RSS	Regional Security System
RTA	Road Traffic Act
SBA	Small Business Association
SCCA	Southern Caribbean Cruise Association
SDx	Super Deluxe
SGH	Spring Garden Highway
SITA	Société Internationale de Télécommunications Aéronautiques (a multinational IT company specializing in information and services to the air transport industry)
SJPP	Samuel Jackman Prescod Polytechnic
SME	Small and Medium-Sized Enterprises
SMI	SMI Infrastructure
SOL	Simpson Oil Limited
Std	Standard
STED	Security Tamper-Evident Bag
STEP	Schools Tourism Education Programme
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TA	Transport Authority
TCDPO	Town and Country Development Planning Office
TDC	Tourism Development Corporation
TESOL	Teaching English to Speakers of Other Languages
TEAM	Tourism Education and Me
TMP	Tourism Master Plan
UK	United Kingdom
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNWTO	United Nations World Tourism Organization
UWI	University of the West Indies
VAT	Value Added Tax
VMO	Volunteer Managing Organizations
VRO	Volunteer Receiving Organization
VSO	Volunteer Sending Organization
WTO	World Tourism Organization
WTTC	World Travel and Tourism Council
YWAM	Youth with a Mission
ZM	Maxi-Taxi (Barbados)
ZR	Route Taxi (Barbados)

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